



Daily Report

China

FBIS-CHI-93-096
Thursday
20 May 1993

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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General

Foreign Ministry Holds Weekly News Briefing

Li Peng 'Remains Ill'

HK2005084593 Hong Kong AFP in English 0810 GMT 20 May 93

[Text] Beijing, May 20 (AFP)—Chinese Premier Li Peng remains ill and will not meet the visiting foreign ministers of Israel and Portugal, officials and diplomats said Thursday.

"Premier Li Peng is advised by his doctors to take a rest. He is now recovering," foreign ministry spokesman Wu Jianmin said when asked about the 65-year-old leader's health.

The spokesman declined to give specifics of Li's condition. The premier has not been seen in public for four weeks and is officially said to be suffering from "a bad cold."

Portuguese and Israeli diplomats confirmed Thursday that their foreign ministers, who are both in Beijing on visits, were not scheduled to meet the Chinese premier, as would be customary diplomatic protocol.

Portuguese Foreign Minister Durao Barrosa will be received instead by President Jiang Zemin and Israel's Shimon Peres by Qiao Shi, speaker of the National People's Congress, the diplomats said.

The premier's continuing absence and the government's failure to provide information on his condition have led to speculation that Li may be seriously ill or that his absence from public view has more to do with politics.

Hong Kong press reports, quoting Chinese sources, have said Li was suffering from a heart problem.

Denies 'Secret' DPRK Talks

OW2005103393 Beijing XINHUA in English 1019 GMT 20 May 93

[Text] Beijing, May 20 (XINHUA)—There were no secret talks between China and the Democratic People's Republic of Korea (DPRK) on the nuclear inspection issue, a Chinese Foreign Ministry spokesman told a weekly press conference today.

Wu made the statement in response to a foreign correspondent who asked him to confirm news reports that China and the DPRK held secret talks on May 9 and 10 on DPRK's withdrawal from the Nuclear Non-proliferation Treaty (NPT).

"There were simply no so-called secret talks between China and the DPRK on May 9 and May 10," Wu said.

"On the question of nuclear verification, our consistent position is that we are in favor of dialogue and against the imposition of sanctions," he said.

Denies MFN Link to Hong Kong

HK2005133893 Beijing ZHONGGUO XINWEN SHE in Chinese 1230 GMT 20 May 93

[Text] Beijing, 20 May (ZHONGGUO XINWEN SHE)—Foreign Ministry spokesman Wu Jianmin stated today in reply to a reporter's question that he would not endorse the view that links Sino-British talks with the problem of most favored nation [MFN] status between the United States and China.

A Hong Kong reporter asked at the Foreign Ministry news conference what substantive content could be expected from the Sino-British negotiations over the Hong Kong problem and whether the Chinese side is stalling the talks until its MFN status is renewed by the United States on 3 June. Wu Jianmin replied: The talks between the Chinese and British governments on the 1994-95 electoral arrangements for Hong Kong are matters between the two governments. The MFN status problem is one between China and the United States. They are two different matters. There is no question of delaying.

He pointed out that the mutual granting of the MFN status is the foundation of trade between China and the United States. It is a reciprocal and mutually beneficial arrangement between China and the United States. China is not the only one holding this view. There are many people in the United States holding this view. The fact that 335 U.S. corporations wrote President Clinton a joint letter requesting unconditional renewal of China's MFN status proves this.

Wu Jianmin reiterated that China opposes any conditions being tacked to its MFN status.

Seeks Hong Kong Talks Progress

HK2005085093 Hong Kong AFP in English 0820 GMT 20 May 93

[Text] Beijing, May 20 (AFP)—China will negotiate sincerely and hopes for progress in upcoming talks with Britain over Hong Kong's political future, a government spokesman said Thursday.

"We are sincere about the forthcoming Sino-British talks," Foreign Ministry spokesman Wu Jianmin said. "We hope that the talks can make progress and achieve positive results."

A third round of Sino-British talks on Hong Kong is scheduled to open here Friday and last for three days.

Wu said the negotiations would bring positive results as long as they were conducted on the basis of previous agreements between the two sides. At issue is Hong Kong Governor Chris Patten's proposal to increase democracy in the British colony by broadening the electorate during the colony's 1994 and 1995 elections.

China, which is to resume control over Hong Kong in 1997, says Patten's political reforms violate Sino-British agreements to phase in democracy gradually.

The British negotiator in the talks said Wednesday that Britain was looking for progress at the third round. "We will be patient, positive, constructive, and we shall be looking for progress," British Ambassador to China Robin McLaren said in Hong Kong.

The first two rounds of talks ended last month with no signs of progress.

On Prospects for PRC-UK Talks

OW2005095893 Beijing XINHUA in English 0947
GMT 20 May 93

[Text] Beijing, May 20 (XINHUA)—Sino-British talks over Hong Kong "will produce positive results," so long as the two sides abide by the Joint Declaration and the principle of convergence with the Basic Law and compliance with relevant understandings and agreement reached between the two countries, a Foreign Ministry spokesman said today.

Spokesman Wu Jianmin, made the remark at a weekly press conference this afternoon, when asked whether substantive matters will be addressed and progress made in the third round of Sino-British talks regarding the 1994-95 electoral arrangement in Hong Kong, which is scheduled to start tomorrow.

"We are sincere about the forthcoming Sino-British talks on the 1994-95 electoral arrangement in Hong Kong," Wu said.

"As long as both sides abide by the Sino-British Joint Declaration, the principle of convergence with the Basic Law and compliance with the relevant understandings and agreement reached between the Chinese and British sides, the talks will produce positive results," he said.

However, he said, both sides will refrain from disclosing the content of the talks, in the course of the talks, according to an agreement reached by the two sides.

Asked to comment on former British Prime Minister Margaret Thatcher's reported remark that the fact the Joint Declaration was registered with the United Nations meant the Hong Kong issue has been internationalized, Wu noted that "in accordance with relevant provisions of the U.N. Charter, U.N. members have the obligation to register the treaties and international agreements they have signed with the U.N. Secretariat and to publicized them."

"Therefore, the fact the Sino-British Joint Declaration on the Hong Kong issue has been registered with the United Nations does not mean in any way the internationalization of the question of Hong Kong," he said.

Opposes Arms Sales to Taiwan

OW2005100993 Beijing XINHUA in English 0953
GMT 20 May 93

[Text] Beijing, May 20 (XINHUA)—Chinese Foreign Ministry spokesman Wu Jianmin said here today that China is opposed to the sale of any weapons by any country to Taiwan and that this position will remain unchanged.

Wu made the remark at a weekly news briefing here this afternoon.

"There has been no change in China's position that it is against the sale of any weapons by any country to Taiwan. This is also applicable to the case of France," said Wu.

"China is against the French sale of Mirage planes to Taiwan. There is no change in that position," he said.

Wu said difficulties that have appeared in Sino-French relations are not due to any factors caused by the Chinese side.

"We have noted the new changes in the political situation in France recently. We hope that the new government can take measures so that Sino-French relations can be normalized and further developed on the basis of the principles for the establishing of Sino-French diplomatic relations," the spokesman said.

"This is in the interest of both China and France," Wu added.

Taiwan Not Qualified for UN

OW2005092993 Beijing XINHUA in English 0920
GMT 20 May 93

[Text] Beijing, May 20 (XINHUA)—Taiwan is a province of China and has no qualifications to enter the United Nations, a Chinese Foreign Ministry spokesman said here today.

"It's known to all that the United Nations is an international organization that is joined only by the world's sovereign states. Taiwan is a province of China. As such, Taiwan has no qualifications for membership in the U.N."

Spokesman Wu Jianmin made this statement at a routine news briefing here this afternoon when asked to comment on a four-point proposal regarding the representation of Taiwan in the U.N., which was put forward by the Taiwan authorities recently.

Over time, Taiwan's authorities have advocated rejoining the U.N. in reality; that is an attempt to create "two Chinas", or "one China, one Taiwan", Wu said.

"This is something that runs against the trend of the times, and is also in violation of the fundamental interests of all the people of China, including the people in Taiwan," he said.

"Such an attempt will be only futile," he added.

Notes Role in Mideast Peace Process

*OW2005102693 Beijing XINHUA in English 1018
GMT 20 May 93*

[Text] Beijing, May 20 (XINHUA)—China will continue to play its role in the Middle East peace process, a Chinese Foreign Ministry spokesman said here today.

Spokesman Wu Jianmin made the remark at a weekly press conference here this afternoon when asked what role China plans to play in the process, as, according to Israeli officials, during his current China visit Israeli Foreign Minister Shim'on Peres would ask China to participate in the mediation for the Middle East peace process.

China has always supported the Middle East peace process and will continue to play its role in promoting the process, he said.

Comments on Maastricht Treaty

*OW2005100493 Beijing XINHUA in English 0952
GMT 20 May 93*

[Text] Beijing, May 20 (XINHUA)—A Chinese Foreign Ministry spokesman, commenting on Denmark's approval of the European Unity Treaty today, expressed the hope that the European Community's integration will be conducive to Sino-European economic and trade cooperation.

Spokesman Wu Jianmin called the result of the second Danish national referendum in favor of the Maastricht Treaty "a matter of much concern" in the process of EC's integration. He said "we hope that the integration of the European Community will be conducive to the peace and stability of Europe and the world."

"We hope such a development will be conducive to a positive growth of world economy and to a healthy development of the economic and trade cooperation between China and Europe," he told a weekly press conference.

PRC Hosts Meeting; Allows More Overflights

*HK2005120593 Hong Kong AFP in English 1150 GMT
20 May 93*

[Text] Hong Kong, May 20 (AFP)—China is changing its air traffic control procedures from October 15 to allow up to 50 percent more flights over its airspace, the Hong Kong government said Thursday.

Details of the changes to "flight level assignments" were spelled out at a two-day meeting in Beijing with officials from Hong Kong, Burma, Japan, Kazakhstan, North Korea, Mongolia, Pakistan, Russia and Vietnam.

In line with the changes, amendments to a letter of agreement between Hong Kong and nearby Guangzhou

regarding air traffic control were made and signed, the Hong Kong government statement said.

Though it failed to state the total number of flights over Chinese airspace, the statement said 600 flights a week currently link Hong Kong and Chinese destinations, representing about 25 percent of all flights out of the colony.

Another 250 flights between Hong Kong and Europe, the Middle East, India and South Korea require passage over Chinese airspace, while 110 flights a week pass over China without stopping at either Hong Kong or a Chinese airport.

The changes come despite on-going Sino-British wrangling over the financing of Hong Kong's 21 billion U.S. dollar new airport project, which is supposed to be ready in 1997 when Hong Kong reverts to Chinese sovereignty.

Zhu Rongji's Addresses to Interaction Council

*HK2005105093 Beijing RENMIN RIBAO in Chinese
14 May 93 pp 1,4*

[Report: "Vice Premier Zhu Rongji's Address at the Opening Ceremony of the 11th Session of the Interaction Council"]

[Text] Honorable Chairman, honorable Honorary Chairmen, guests, ladies, and gentlemen:

We are greatly honored to have been invited by the Interaction Council to attend its session in Shanghai. Since its establishment in 1983, the Interaction Council has made valuable contributions and untiring efforts to safeguard world peace and security and to promote the economic development and social stability of different countries. I believe that it is extremely beneficial for the promotion of mutual understanding and international cooperation to have so many veteran international statesmen under one roof to probe deeply and to exchange views on international issues of common concern. Allow me to express a warm welcome to all guests who have come from afar and I wish the session full success on behalf of the Chinese Government.

China's economy is entering a high-speed stage. Since the launching of reform and opening up in 1979, China's gross national product [GNP] has been growing at an average annual rate of 8 percent, touching 12.8 percent last year. We plan to hit 8 percent this year but it might come to 10 percent. Some foreign friends worry that China's economy might be overheated and doubt if the current rate is sustainable. Our friends' worries are understandable. It is also a great concern of mine. But I am fully confident of the long-term growth of China's national economy because China has the objective conditions and material basis for sustained high-speed growth.

First, China's continuous push to a market-oriented market over the last 14 years has greatly improved the

efficiency of the allocation of resources. Fourteen years ago, most key commodities were in short supply in China. Today, supplies of all consumer goods and major capital goods are able to basically meet market demand. Second, China's unbroken push to a world-oriented policy of opening up has greatly improved enterprise quality. Fourteen years ago, China did not know much about and only possessed rudimentary knowledge of corporate managerial skills, technical knowledge, marketing concepts, and international markets. Today, Chinese enterprises are able to compete in international markets; especially township and town enterprises, which have come to the fore and become a force to be reckoned with, and foreign investment are playing an increasingly important role. Third, in the last 14 years of reform and opening up, we have maintained a 32 percent national savings rate and active investment, with a continuous rise in general consumption levels. Fourteen years ago, China had an equally high national savings rate, but that was achieved at the expense of relatively low consumption levels among the people. Today, there is strong investment from the central authorities, local governments, state-run units, and collectives down to privately run units and individuals. Diversified investment in a variety of forms has resulted in rapid changes in the product mix, helping it adapt continuously to meet people's consumption demands. High levels of national savings have proven to be strong support for economic growth.

These three basic factors explain the high-speed economic growth of the last 10 years. Looking ahead, I have every reason to believe that these three basic factors will remain unchanged. Politics in China are stable. The CPC and Chinese Government will remain firm in their determination to work for national wealth and power, sufficiency and prosperity for the people, and economic growth. Over the last 10 years, China has upheld the basic national policy of reform and opening up, which has increased the people's welfare to an unprecedented degree. There is a solid national foundation for this basic national policy to be upheld for a period of time. Diligence and enterprise are constant elements in the Chinese people's national spirit and cultural tradition as a result of thousands of years of cultural inculcation. They will not easily change. Thus we can see these three basic factors are the results of a historical choice by the Chinese race. There is no reason to cast doubt on the existence of a strong growth force in China's economy for a considerable time to come.

To be responsible, a government must be fully confident in the future and be able to face current problems and adopt practical policies. The Chinese Government is paying close attention to problems with short-term macroeconomic equilibrium and some other factors inimical to long-term growth. In the last six months, there has been excessive industrial development and investment growth. Inflation is gradually growing, adding pressure to the financial and monetary situations. The imbalance between regional economic development has become

more pronounced. These changes in the macroeconomic situation are still under our control and are tolerable; nevertheless, the Chinese Government is paying close attention and is keeping a clear head. In fact it is adopting all necessary measures to prevent the economic situation from tilting away from equilibrium. From the start of this year, we have adopted a relatively cautious financial and monetary policy and have promptly adjusted the strength of our macroeconomic policies in response to changes in the economic situation.

The Chinese Government has had 14 years of experience in reform and opening up and has the power to strengthen and improve macroregulation and control to forestall any negative impacts of macroeconomic disequilibrium on long-term economic growth and social stability, and is thus able to create a more favorable environment for reform and opening up.

The next five years will be a key period for our country's reform and opening up. We are increasing our pace in various areas in a vigorous bid to initiate a new socialist market economic system in the 1990's. Some of our foreign friends have pointed out that it seems contradictory for China to uphold socialism on the one hand and to develop a market economy on the other. This problem in fact turns on our understanding of socialism and the market economy.

We believe that both planning and markets are economic means, not indicators of a social system. We cannot draw simple comparisons between a socialist economy and a planned economy. As I see it, there are two fundamental things in a socialist economy: one, efficiency in resource allocation and high labor productivity; and, two, safeguards for social justice and achieving common wealth. In comparison, a market economy allocates resources more efficiently than a socialist economy. That is one of the important reasons why we chose the market economy while upholding socialism. Safeguarding social justice and common wealth are ideals of socialism. As a form of property ownership, an economy dominated by public ownership is better than one dominated by private ownership in safeguarding social justice and achieving common wealth. Therefore, when we uphold a socialist market economy, we are stressing public ownership as the dominant factor and the pursuit of a market economy in operating mechanisms.

It seems that the essence of the problem is whether or not we can build a market economy in a context where public ownership is dominant. My position on this is: complete faith and active exploration.

First, dominant public ownership does not exclude the existence of private ownership. In the future, our country will continue to allow and support the development of private and foreign-funded enterprises and let them compete on equal terms with their publicly owned counterparts. Second, specific forms of public ownership can be diversified. They can be state-owned, collectively owned, or a form of a joint-stock company in which the

state or collectives are the main shareholders. Meanwhile, small state-owned enterprises can be sold or rented to collectives or individuals for operations. This will prove that we can build a corporate system equally clear in management-ownership relations and specific in areas of responsibility in a dominant public ownership structure.

Of course, the change from a planned economy to a market economy is a complicated process. Creating a market economy in a socialist country is an untrodden path. In economic structural reform, we have learned and borrowed many advanced management styles from foreign countries that reflect the laws of a market economy and methods for national economic management. Through study, borrowing, and our own practices, we have gained a much better understanding of ways to allow markets to play a fundamental role in resource allocation. Clear management-ownership relations with specific areas of responsibility is a basic constituent of a market economy. There are two other basic constituents, namely, reducing government intervention to allow firms to come into contact with the market and enter various markets, and lifting price controls so that prices are determined by the market.

What I am presenting here is not just a theoretical scenario. In fact, practice has overtaken theory. There are now 3,700 joint-stock firms across China, about 70 of which are listed. Ten thousand firms have merged. Intervention by governments at all levels in firms has been reduced drastically through administrative streamlining and power concessions. Enterprises have received increasingly greater independent operating powers and powers to enter the market freely. An important sign of our country's economic reform is a greater pace of price reform. Last year, price regulation was lifted on 571 products. Prices fixed by the state now account for about 20 percent of all product prices. Market prices are becoming increasingly responsive as signals for directing effective resource allocation.

Reform cannot be achieved at once. Neither can reform on all fronts achieve a complete equilibrium. We now distinctly feel that reforms in macroeconomic management have fallen behind, resulting in some negative impacts on the stability of the national economy and the balance between regions. Therefore, while we will continue to deepen enterprise reform, and for a time in the future we are going to concentrate on increasing the pace of reform in the investment management structure with which to activate reforms in the planning, banking, and financial systems. Reforms in these areas are critical to the pursuit of a macroscopically regulated and controlled market economy and are difficult to achieve. But our pursuit has not only the vigorous support of the people of the whole country, but also passionate help from many foreign friends. I firmly believe that this great reform project will succeed.

In our experience, one thing that has proven to be important is closely linking economic reform with

opening to the outside world. Areas of opening up have gradually extended from industry and agriculture to banking, insurance, commerce, tourism, and so on. Increasingly more foreign investors are expressing strong interest in China and are investing in the Chinese market. Last year, we absorbed \$11 billion in direct foreign investment. Our country has conducted significant reform in its foreign trade system, has stopped all export subsidies, and has vastly reduced the number of commodities under quota and export permit management. Last year, our country abolished the import regulatory tax, twice lowered tariffs on 3,596 commodities, canceled the practice of filing a detailed substitute goods list for all imports, and cut the number of commodities under import permit management. Reform has promoted the development of trade. Last year exports were slightly higher than imports, with the gross trade volume reaching \$165.6 billion. In sum, reform and opening up is a tremendous force for liberating and developing productive forces and has played an extremely important role in optimizing the economic structure, raising the people's standard of living, and increasing overall national strength.

Mr. Chairman:

Intense and profound changes have taken place on the international scene over recent years, changes rarely seen in peacetime. The tense confrontation between the great military camps has ceased to exist. The trend of multipolarity is continuing across the world. Tension in most regional hot spots has eased. International disarmament has achieved new progress. It is now possible to achieve a peaceful international environment for a longer period. Countries are stepping up efforts to adjust their domestic and foreign policies. Economic vitalization has become the main stream of the contemporary world. However, we cannot help noticing that this planet is still not very peaceful. Power politics and hegemonism remain the main obstacles to world peace and development. Various forces are realigning. New and old contradictions overlap. Regional disturbances have become more pronounced. The role of economic factors in international relations is becoming greater. Trade protectionism is increasing. Economic development is highly unbalanced, with an ever widening income gap between South and North.

In this highly volatile international situation, our country has persistently upheld an independent, self-determining, and peaceful foreign policy. The aim of China's foreign policy is to maintain world peace, to promote joint development, and to create an international environment favorable for its reform, opening up, and modernization. China represents a solid force for defending world peace and stability. Our country does not ally itself with any country or supranational blocs and has not joined any military camp. We consistently oppose hegemonism and power politics. We ourselves will never seek hegemony or expansion.

The basic principle of China's foreign policy is to build and develop friendly and cooperative relationships with all countries in the world on the Five Principles of Peaceful Coexistence. In dealing with relationships with our neighbors, our country upholds a friendly good-neighbor policy and unremittingly safeguards long-term stability and mutually beneficial cooperation in the region. China greatly values solidarity and cooperation with a large number of developing countries. Regardless of changes in the international situation, we will, as we have done in the past, support Third World countries in their effort to safeguard their independence, sovereignty, and legitimate interests in economic development. China shares extensive common interests with the West, and there is strong economic complementarity between the two. We hope to further restore and develop ties with the West on the basis of mutual respect, seeking common points and preserving differences, nonintervention in internal affairs, equality, and mutual benefits. As a permanent member of the United Nations Security Council, China has a special responsibility for world peace and development. Our country will continue to work with the international community to promote political solutions to regional conflicts and international disputes, push for progress in world disarmament and arms control, seek joint development in the economies of all countries, and strengthen fruitful cooperation in areas such as environmental protection and human rights. The democratization of international relations accords with the tide of our time. It is the strong wish of people of all nations to see the establishment of a new international order. China advocates the establishment of a new, peaceful, stable, just, and rational international order based on the Five Principles of Peaceful Coexistence. Although this may prove a long and tortuous process, I firmly believe that as long as people of all nations maintain joint efforts, the world will definitely be more beautiful in the future.

Thank you, Mr. Chairman. Thank you, ladies and gentlemen.

UN Representative Discusses Population Control

OW1905115293 Beijing XINHUA Domestic Service in Chinese 0454 GMT 11 May 93

[By reporter Li Jianxiong (2621 0256 7160)]

[Text] United Nations, 11 May (XINHUA)—Chinese representative Chang Chongxuan said today: The Chinese Government will adopt measures such as boosting public health education and improving contraceptive services to further implement family planning and to control the overly rapid growth of the population in absolute terms.

The Chinese representative made these remarks at the preparatory committee's second meeting for the International Conference on Population and Development, which opened on 10 May. Chang Chongxuan said: The

total population in Mainland China reached 1.171 billion at the end of 1992, and will approach 1.3 billion by the end of the century. For a developing country with a rather weak economic foundation, this is a very grim situation.

Chang Chongxuan pointed out: Overly rapid population growth has caused heavy pressure on social and economic development. In many developing countries, the production growth rate cannot catch up with the population rate. Overly rapid population growth will inevitably lead to forest destruction, soil erosion, air pollution, and deterioration of the whole ecological environment and threaten the future of the world.

Chang Chongxuan said: The Chinese Government attaches great importance to the International Conference on Population and Development, and a national committee, which is composed of representatives from relevant government departments, nongovernmental organizations, and academic circles, is making preparations.

The International Conference on Population and Development will be held in Cairo from 5-13 September next year. The meeting will examine and approve implementation of the action plan for world population over the past decade, discuss major issues in the fields of population and development, and make a set of new proposals for sustained development in the next decade.

United States & Canada

Les Aspin Forms Panel on Military Readiness

OW2005031693 Beijing XINHUA in English 0245 GMT 20 May 93

[Text] Washington, May 19 (XINHUA)—U.S. Secretary of Defense Les Aspin has formed a task force of eight ranking retired officers to study how such changes as defense cuts, women in combat and gays in the military will affect armed forces' readiness.

The panel, to be headed by former Army Chief of Staff General Edward Meyer, is to "take a fresh look at the way we measure readiness" and make recommendations.

"We can't hang a 'closed for remodeling' sign on the door while we complete the resizing and reshaping of our forces in the post-cold war, post-Soviet world," Aspin said at a press conference. "Our forces have to be ready to fight every day."

Other generals on the task force include former Air Force Chief of Staff Larry Welch, former Commander in Chief of the Southern Command Max Thruman and former Marine Corps Assistant Commandant Joseph Wendt.

Meyer said the U.S. armed forces "are in an environment where we may have to send soldiers, sailors, airmen, and some marines off tomorrow or the next day somewhere to do

something...we're going to have to be sure that we're able to operate in joint and combined operations."

The civilian component of the armed forces will also be included in the study "because it provides support," Meyer said.

Report on President Clinton's Health Plan Costs

OW2005054793 Beijing XINHUA in English
0430 GMT 20 May 93

[Text] Washington, May 19 (XINHUA)—President Clinton's health reform program may cost 40 billion to 100 billion dollars a year, an administration official said today.

When the program is fully phased in, an anonymous administration official was quoted by the ASSOCIATED PRESS, the President's reform package may require 15 billion to 40 billion dollars in additional annual federal spending, as well as 25 billion to 60 billion dollars in private sector expenditures.

But the official said those figures may be offset by savings and cost controls that Clinton also hopes to impose on the 912-billion-dollar U.S. health care system.

"I want controls on health care...(as) part of our overall health care strategy," the President told reporters after meeting on Capitol Hill with congressional Democrats.

Clinton said that without restraints, the government might be forced to make "across-the-board cuts on very vulnerable people or...shift health care costs to private employers."

The President's health care reform task force is weighing whether to impose price controls or call for voluntary price controls on the industry until reforms are phased in over the next several years.

In his campaign for the presidency, Clinton promised to guarantee a comprehensive set of medical benefits for all Americans and put the brakes on runaway costs.

To carry this out, the White House is reported to be looking at two basic financing options: requiring employers to pay a health insurance premium as a percentage of payroll, or as a per-person premium for each worker.

The ASSOCIATED PRESS source also said that to generate additional revenues, the administration is considering "sin taxes" on cigarettes and other unhealthy products and new levies that would affect doctors, hospitals and other health care providers.

Zhu Rongji Addresses Businessmen in Canada

OW1905215993 Beijing XINHUA in English
1702 GMT 19 May 93

[Text] Toronto, May 19 (XINHUA)—Chinese Vice Premier Zhu Rongji today called on Canadian businessmen

to "seize the opportunity, set their eyes on the long-term interests and invest or do other businesses" in China.

In a keynote speech at the "Goodman Forum" with the theme "The New China: Canada's Opportunity in the Pacific Century," Zhu said China attaches importance to the development of its relations with Canada.

"We hope to see Canada get a more significant share in China's foreign economic relations," he said, adding that he is confident that with concerted and untiring efforts, the two countries will surely bring the Sino-Canadian economic and trade relations to a new high.

The vice premier said although China is a very big and attractive market, the competition is tough. "At present, our two sides should lose no time in creating, with a pragmatic approach and through concrete efforts, a political climate and economic conditions more favorable to expanding mutual cooperation."

Zhu conveyed important messages to about 600 businessmen present at the forum. He said, firstly, China enjoys political stability which will be maintained for a long time to come.

Secondly, he said, China's experience over the past 14 years proves that the reform and opening-up policy is the only way leading to the rejuvenation of the Chinese nation so it can not be changed under any excuse or by any force.

Thirdly, China is resolved to develop cooperation and exchanges with all countries, he said, adding that China needs to draw on and assimilate every achievement of human civilization, including the advanced modes of operation and management methods in every country that reflect the law of modern socialized production.

Zhu pointed out that there is a vast vista of development of Sino-Canadian economic, trade, scientific-technological cooperation as it has a sound basis and great potential.

China and Canada have no conflict of fundamental interests and pose no threat to each other, he said. "On the contrary, we share interests and major responsibility in maintaining peace, stability and development around the world, especially in the Asia-Pacific region."

Zhu acknowledged "some differences" between China and Canada but he said they do not constitute the main trend of the relations between the two countries.

"So long as our two sides proceed from the fundamental interests of our peoples and try to seek common ground while preserving the differences, we can transcend the differences in social system and ideology and join hands in promoting our bilateral relations," the vice premier said.

He said the cooperation between the two countries in the past 22 years has laid down a sound basis for more achievements in trade and the scientific and technological exchanges.

According to China's statistics, trade between the two countries reached nearly 2.6 billion U.S. dollars in 1992, 16.6 times that in 1970 when their diplomatic relations were established.

Zhu said China's ambitious development plan will bring with it numerous cooperation opportunities to Canadian businessmen.

As the two economies are highly complementary to each other, Sino-Canadian mutually-beneficial cooperation shows great potential, he said, adding that Canada enjoys a competitive edge in such fields as telecommunication, transportation, energy, electricity, mining, agriculture and forestry, all of which happen to be the priorities of China's economic development.

He said China has now opened such new fields as finance, insurance and inland oil prospecting to foreign businessmen. The two countries can explore new areas for such cooperation.

Zhu said, reform and opening-up have instilled great vitality in China's economy and facilitated the rapid growth of productive forces. At present, both domestic situation and international environment provide China with an excellent opportunity to accelerate development, he said.

The Chinese vice premier said the Chinese leaders keep a cool head on economic overheating. "I can assure you that the Chinese Government is capable of exercising macro control over the national economy and avoiding structural imbalance and economic overheating," he said.

Minister Gives Zhu Rongji Assurance on MFN

*OW2005043893 Beijing XINHUA in English
0412 GMT 20 May 93*

[Text] Toronto, May 19 (XINHUA)—Canadian Minister for Industry Michael Wilson said today Canada will give China unconditional most favored nation [MFN] status, and it hopes the United States will also.

In talks with visiting Chinese Vice-Premier Zhu Rongji, Wilson said he saw great achievements in economic development when he visited China a year ago. He expressed hope that Canada would play its role in China's economic development and strengthen its cooperation with China in other fields.

Zhu expressed his thanks for the decision by the Canadian Government.

Wilson and Zhu have agreed that there is a vast potential for the development of Sino-Canadian economic, trade, and scientific-technological cooperation.

Zhu said that in his talks with Canadian leaders and with personalities of various circles since his arrival three days ago, he was impressed by Canada's aspirations for enhanced cooperation with China. The two nations can

help each other, he said, and learn from the experiences of each other for mutual benefit.

Northeast Asia

PRC, Japan Inaugurate Energy Research Society

*OW1905161593 Beijing XINHUA in English
1526 GMT 19 May 93*

[Text] Beijing, May 19 (XINHUA)—Sponsored by research units on energy resources in China and Japan as well as a number of related enterprises, the Sino-Japanese Energy Research Exchange Society was inaugurated here Tuesday [18 May].

The society recently became twinned with the Japan-China Energy Society based in Tokyo. It will promote co-operation between the energy circles of the two countries, help to develop and popularize new technology in the energy industry, promote the close linkage of energy research with power production, and help turn research findings into production.

Besides, the newly-established organization will also try to pave the way for domestic government departments to learn from overseas experience and to make suggestions to enable the state to draw up programs for economic, power and environmental development.

Miyazawa Not Revising Japan's Peacekeeping Law

*OW1805130493 Beijing XINHUA in English 1220
GMT 18 May 93*

[Text] Tokyo, May 18 (XINHUA)—Prime Minister Kiichi Miyazawa today rejected a call to revise a Japanese peacekeeping law.

According to a KYODO news report, the prime minister said his government had no intention of revising the law that governs Self-Defense Forces (SDF) personnel in Cambodia.

Earlier in the day, Foreign Minister Kabuo Muto told reporters that Japan should consider amending part of its U.N. Peacekeeping Law to enable Japanese SDF troops to engage in a wider range of military activities.

The current law was adopted in June of last year. It stipulates that before the SDF operation can monitor ceasefire or patrol zones, the Diet must pass additional legislation to lift restrictions on such participation.

The law is scheduled to be reviewed in 1995.

At present, Japan's 600 SDF troops in Cambodia are assigned to non-combat duties, such as building roads and providing medical services.

ROK Considers Aid To Gain Edge in Market

SK2005015593 Seoul YONHAP in English 0123 GMT
20 May 93

[Text] Beijing, May 20 (YONHAP)—Seoul is considering a 100 million-U.S.-dollar aid package for Beijing to get a competitive edge over Japan and other countries trying to enter the Chinese market, sources said Thursday.

Seoul and Beijing had held a number of contacts to select projects to be sponsored by Korea's Economic Development and Cooperation Fund (EDCF), the sources said.

The countries normalized relations in August 1992 and have successfully nurtured trade, but Seoul apparently has noted how other countries are trying to pry open the Chinese market by offering large special government loans, they said.

Western nations extended 5.7 billion dollars in loans to China last year, 137.5 percent more than in 1991. Spain provided 600 million dollars, France gave 300 million dollars, Italy turned over 250 million dollars.

Japan gave China 1.1 billion dollars, and financially strapped Russia came up with a 2.5 billion-dollar loan to build two power generation facilities.

Belgium reportedly lent 250 million dollars to win a Chinese telecommunications project.

Foreign loans are likely to increase as the Chinese Government seeks them to finance its eighth five-year plan (1991-1995), the sources said.

They said most of the foreign assistance was tied loans, which were popular in 1960s and 1970s, predicting that the effect of such input would be "enormous."

They said Seoul and Beijing agree about South Korea's EDCF loan but not on the details.

"South Korea is very prudent because of its internal public opinion, but a positive outcome is likely from the perspective of long-term plans," one source said.

Southeast Asia & Pacific

Laotian Foreign Minister Arrives in Beijing

OW2005084993 Beijing XINHUA in English
0830 GMT 20 May 93

[Text] Beijing, May 20 (XINHUA)—Somsavat Lengsavad, foreign minister of the People's Democratic Republic of Laos, and his party arrived here today after visiting Qingdao in east China's Shandong Province.

Chinese Vice-Foreign Minister Tang Jiaxuan greeted the visitors at the capital airport.

Somsavat Lengsavad arrived in China on May 15 at the invitation of Chinese Vice-Premier and Foreign Minister Qian Qichen. Before reaching Beijing, the delegation visited Yunnan and Shandong Provinces.

In his meeting with Yunnan Governor He Zhiqiang, Somsavat said that the good and comprehensive cooperation between Yunnan and Laos has brought benefits to the two peoples, and added that Sino-Laotian exchanges would further enhance mutual understanding and cooperation.

In Qingdao, the Laotian visitors visited the Qingdao television factory and an economic and technological development area.

Tomorrow, Somsavat is scheduled to hold talks with Qian Qichen.

Experts Sign Survey Report on Mekong River Use

OW1905130893 Beijing XINHUA in English
1252 GMT 19 May 93

[Text] Kunming, May 19 (XINHUA)—Experts from China, Laos, Myanmar [Burma] and Thailand have suggested in a report that the four countries jointly develop navigation on the Mekong River, which begins in China and runs through the other three countries.

These experts jointly surveyed the river between February 17 and May 11 of this year. Representatives of each nation on the exploratory team signed a survey report here Tuesday [18 May].

The report states that there are rich resources in terms of navigation, irrigation, electric power generation, tourism, minerals, forestry and fishery in the Mekong River basin.

The report says that developing navigation on the river, which is easier than exploiting other resources, will benefit the four countries along the river and promote the exploitation of other resources.

The report says that experts from the four countries have agreed to dredge the river to allow navigation of 300-ton ships by the end of this century.

The report raises the following five suggestions addressed to the governments of the four countries:

- To sign a navigation agreement among the four countries;
- To establish an international committee on the development of Mekong River navigation;
- To raise money for the development of the navigation;
- To form a united team to explore the river and to carry out planning and design of navigational development; and
- To begin dredging work on the river by the end of this year.

Shanghai Group Visits Australia, Discusses Trade

OW2005060193 Beijing XINHUA in English
0543 GMT 20 May 93

[Text] Canberra, May 20 (XINHUA)—The Pudong New Area (PNA) in Shanghai, one of China's major development zones, is seeking more opportunities to cooperate with Australian companies.

There is great potential for PNA and Australian companies to expand investment and trade relations, Zhao Qizheng, visiting vice mayor of Shanghai and chief administrator of PNA, said when meeting Australian Trade Minister Peter Cook here today.

The PNA is also willing to learn advanced technology and management expertise from Australia in its development, Zhao said.

Heading a business mission from Shanghai, Zhao is currently on a two-week visit to Australia at the invitation of the Australian Government.

The mission has shown interests in Australia's expertise in port and airport management, and expressed intention to import techniques and equipment for water purification from Australia.

Also under discussion is a possible project to promote sales of Australian wool to Japan and Southeast Asia via storage bases in the Pudong New Area.

Cook said during talks with the mission that the Australian Government will encourage the business circle to increase trade and investment relations with China including the PNA.

To date, some 50 Sino-Australian joint ventures have been established in Shanghai, with four in the PNA involving a total Australian investment of 36 million U.S. dollars.

Near East & South Asia**Israeli Foreign Minister Peres Arrives 19 May**

OW1905143593 Beijing XINHUA in English
1417 GMT 19 May 93

[Text] Beijing, May 19 (XINHUA)—Israeli Foreign Minister Shim'on Peres arrived here today for a six-day official visit to China at the invitation of Chinese Vice-Premier and Minister of Foreign Affairs Qian Qichen.

This is the first China trip made by Peres, who became Israeli foreign minister in July last year.

Qian, Peres on Arms, Peace Process

TA2005074893 Jerusalem Qol Yisra'el in Hebrew
0505 GMT 20 May 93

[Telephone talk between moderator Hayim Zissowitz in Jerusalem and political correspondent Shlomo Raz in Beijing, including recorded comment by Foreign Minister Shim'on Peres—live]

[Excerpts] [Hayim Zissowitz] Our political correspondent Shlomo Raz, who is accompanying Foreign Minister Shim'on Peres on his trip to China, is currently on the line. Good morning, Shlomo.

[Shlomo Raz] Good morning, Hayim.

[Zissowitz] I understand that our foreign minister held an important meeting with his Chinese counterpart, Qian Qichen.

[Raz] The most important issue discussed at the meeting, out of which new developments emerged, was that the Chinese decided not to sell any more missiles to either Syria or Iran. Both the Chinese foreign minister, who agreed to grant us a short interview, and Mr. Peres will tell us about this. This issue featured very prominently on Foreign Minister Peres' agenda here. It is no secret that the PRC is one of the major arms suppliers to the Middle East, and now we have learned that the Chinese foreign minister told Shim'on Peres that to avoid hurting the peace process, they have decided to stop selling missiles to Iran and Syria.

[Begin Shim'on Peres recording] We had a very good meeting. We agreed on several things, including holding a series of advance consultations between our Foreign Ministries. The Chinese foreign minister declared that they will make sure that our improved relations will be reflected in China's voting at the United Nations. The foreign minister said that they will not sell missiles to Arab countries, and he promised that they will instruct China's national carrier to search for ways to reach an aviation agreement. That is all at this stage. [end recording]

[Raz] These were the major developments, Hayim. At the end of the meeting between the two officials, which we will return to discuss later, the Chinese foreign minister agreed to give us an extremely rare interview, and here is a brief segment of his remarks. [passage omitted]

I will now translate the remarks of the Chinese foreign minister from the English version, as my Chinese is a bit rusty. Regarding the Middle East peace talks, Foreign Minister Qian Qichen said that the Chinese feel that this is the right time to make additional progress. He said that China hopes that none of the parties will let this chance slip by, noting that China expects to see positive results from the peace talks. In this respect, Qian again promised that the PRC will not sell missiles to the Arab countries and mentioned Iran and Syria specifically.

Other issues were also discussed at the meeting. For example, China said that it will use its connections in the Arab world to promote the peace process. The PRC requested Israeli support for its candidate for judge at the International Court at The Hague, and Israel obviously agreed.

The Chinese foreign minister, who is a very important political figure in his country, also warmly welcomed and encouraged greater involvement on the part of Israeli businessmen in the PRC's economy. They are mainly interested in Israel's technological and scientific capabilities. These were the main issues discussed during the approximately 90-minute meeting between the two foreign ministers. [passage omitted]

Qian: No More Missiles to Iran, Syria

*TA2005062293 Jerusalem Qol Yisra'el in Hebrew
0600 GMT 20 May 93*

[Text] Chinese Foreign Minister Qian Qichen promised Foreign Minister Shim'on Peres this morning that China will no longer sell any missiles to Iran or Syria. The Chinese foreign minister also mentioned this commitment in an interview with our correspondent Shlomo Raz.

Following his meeting with the Chinese officials, Foreign Minister Peres said it had been very good. It was agreed that from now on, Israel and China would hold consultations and that the new relationship between the two countries will be reflected in China's votes at the United Nations. The Chinese Government will instruct the national carrier to sign an aviation agreement with El Al. Our correspondent adds that the Chinese and Israeli officials also discussed economic issues and agreed to promote commercial ties between the two countries.

Pledges Efforts for Peace

*OW2005085793 Beijing XINHUA in English
0839 GMT 20 May 93*

[Text] Beijing, May 20 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen said here today that China, as a permanent member of the United Nations Security Council, will continue to make efforts to promote the peace process in the Middle East.

Qian made the remark in a meeting with visiting Israeli Foreign Minister Shim'on Peres this morning.

Peres arrived here yesterday on a six-day official visit to China as Qian's guest. This his first trip to China since he became foreign minister in July last year.

According to an official from the Chinese Foreign Ministry, the two ministers exchanged views on a wide range of issues concerning bilateral relations and the Middle East situation.

Qian said that relations between the two countries have been developing smoothly, even though Sino-Israeli diplomatic ties were only recently established.

Qian said that exchanges of visits and cooperation in various fields between the two sides have already had a good start.

He said he hoped that bilateral cooperation will be continued and expanded.

Qian told Peres that China now is conducting economic construction on a large scale under the principle of opening to the outside world. China is a huge market, he added.

He welcomed Israeli entrepreneurs and businessmen to invest and do business in China.

Peres said that China's great changes and development have made a deep impression on him, adding that Israel and China can carry out effective cooperation in many fields. Israel is willing to make joint efforts with China to strengthen cooperation, he said.

Touching on Middle East issues, Peres briefed Qian on the ninth round of the Middle East peace talks. He said that this round of talks has made progress, and that the trend of engaging in peace talks cannot be changed.

Peres said Israel will continue to join the peace talks.

In response to Peres' briefing, Qian said that there are many "hot spots" in the world. History proves that these "hot spots" cannot be cooled down through confrontation, but can only be settled through peace talks.

Qian noted the peace talks, even without major progress being made, have continued since the opening of the Middle East peace conference held in Madrid. He said he believed that a positive result will be worked out if the talks continue.

Now is the right time to promote the Middle East peace talks, Qian said, and added that it is also a big challenge.

Qian noted that, being a permanent member state of the U.N. Security Council, China maintains good relations with both the Arab and Israeli sides.

He said that China has consistently advocated reaching a political settlement of Middle East issues and has supported the peace talks.

Minister, Iranian Envoy Discuss Cultural Ties

*LD2005082593 Tehran IRNA in English 0804 GMT
20 May 93*

[Text] Beijing, May 20, IRNA—Iran and China here Thursday underlined further expansion of bilateral cultural relations.

The Iranian ambassador here, Muhammad Hoseyn Tarami-Rad, met Chinese Minister of Culture Liu Zhongde and submitted him a message of congratulation from Iran's Culture and Islamic Guidance Minister Ali Larijani on his appointment to the office.

The two sides also reiterated the need for the exchange of cultural and artistic delegations as well as for the setting up of art exhibitions in both countries.

Tarami-Rad also discussed Larijani's forthcoming visit to China which was welcomed by the Chinese minister.

Envoy Condolences Nepalese Communists on Deaths

OW1905130493 Beijing XINHUA in English
1219 GMT 19 May 93

[Text] Kathmandu, May 19 (XINHUA)—Chinese Ambassador Shao Jiongchu has expressed his deepest condolences and sympathies to Man Mohan Adhikari, president of the Communist Party of Nepal (UML) for the tragic accident which have deprived of lives of two UML leaders.

Shao Jiongchu went to the UML Central Committee office this morning and conveyed his message of condolences to President Adhikari.

The Chinese ambassador said in his message that the untimely demise of Madan Bhandari, general secretary of CPN-UML and Jiva Rag Ashrit, party's standing committee member, is "a great loss to the cause of your party and to the people of Nepal".

"In comrade Bhandari's death, Nepal has lost a great patriot, your party a prominent leader, China, an esteemed friend", Shao said.

"Both Bhandari and Ashrit have made valuable contribution to strengthening the friendship between our two parties and two countries", he said.

In the message Shao extended his sincere and heartfelt condolences to Adhikari and through him to Nepal Communist Party (UML) and the bereaved families.

Ambassador Shao went to the Dashrath Stadium to pay his last respect to the late UML leaders.

The Chinese ambassador had also called on Bidya Pandey, wife of Bhandari, expressing his condolences and sympathies to her and her family.

West Europe

Jiang Zemin, Former French Leader Discuss Ties

OW1905122793 Beijing XINHUA Domestic Service
in Chinese 0746 GMT 19 May 93

[By correspondent Lu Jing (4151 0513)]

[Text] Beijing, 19 May (XINHUA)—While meeting with former French President Giscard d'Estaing this morning in Zhongnanhai, Chinese President Jiang Zemin expressed the hope that Sino-French relations would be normalized and developed on the basis of the principle on which diplomatic relations between the two countries are established.

Jiang Zemin expressed welcome to Giscard d'Estaing for his visit, saying that Mr. Giscard d'Estaing is a renowned French political activist who made positive contributions to the development of Sino-French relations when he was French president.

After briefly looking back at the development of Sino-French relations, Jiang Zemin pointed out that both China and France bear important responsibility in international affairs and share similar views on many major international issues. He hoped relations between the two countries would return to normal and improve on the basis of the principle on which diplomatic relations between the two countries are established.

Giscard d'Estaing admired China's rapid economic development over the past decade. He said France favors establishing a multipolar world and hoped France and China would restore and develop their friendly and cooperative relations.

Vice Foreign Minister Jiang Enzhu attended the meeting.

Giscard d'Estaing came to China to attend the 11th Meeting of the Interaction Council, which was held in Shanghai 13-16 May.

German Delegation Inquires About Rights in Tibet

AU2005092793 Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 19 May 93 p 6

["P.K."-signed report: "Bundestag Committee Visits Tibet"]

[Excerpt] Beijing, 18 May—A delegation of the Foreign Affairs Committee of the German Bundestag will travel to Tibet this Wednesday [19 May]. The delegates want to see for themselves whether the rights of minorities and human rights are being observed in the autonomous region, which belongs to the PRC, Stercken, Foreign Affairs Committee chairman, said in Beijing on Tuesday [18 May]. The parliamentarians talked with Qian Qichen, foreign minister, and Qiao Shi, Congress chairman. The talks were characterized as frank, but the Chinese side insisted on the priority of economic development and political stability over human rights. Stercken expressed his satisfaction over the fact that he had received a response to an April inquiry by the Bundestag Human Rights Subcommittee, which had asked for information on political prisoners. This response says that of the mentioned people, 14 were legally sentenced, six cases were not dealt with by the judicial authorities, and there is no information regarding 29 persons. Stercken said that even though the response is not satisfactory, it is a first step. The parliamentarians also want to ask about the fate of political prisoners and want to visit a prison in Tibet. However, the Chinese side has not yet agreed to these plans, Stercken noted. [passage omitted]

Belgian Minister on China's Reentry Into GATT

*OW1905132793 Beijing XINHUA in English
1301 GMT 19 May 93*

[Text] Beijing, May 19 (XINHUA)—Visiting Belgian Minister of External Trade and European Affairs Robert Urbain said here today that a big nation like China should not be kept away from the General Agreement on Tariffs and Trade (GATT).

The minister made the remark at a press conference here today given by visiting Prince Albert of Belgium, heading a Belgian Government economic and trade delegation together with the trade minister.

Urbain said he had told Chinese President Jiang Zemin that Belgium shall pay special attention to China's application for restoration of its contracting party status in GATT.

As one of the five permanent members of the United Nations Security Council, the minister said, China may not be maintained outside of GATT.

He said he hoped that the talks on restoring China's status in the GATT as a signatory state will be speeded up and that Belgium, which will serve as president of the European Community from July 1, will be involved in the talks.

According to him, the Kredietbank, one of the three largest banks in Belgium, will open a representative office in China's largest industrial city of Shanghai. Some related agreements will be signed during the delegation's visit to Shanghai.

The trade minister said that the Belgian Government attaches importance to promotion of economic and trade cooperations, especially in the fields of metallurgy, transportation, telecommunication and energy.

The delegation left for Shanghai this afternoon.

At the press conference, Belgian Prince Albert expressed his sincere thanks to the Chinese Government for the "most friendly welcome" accorded to his delegation.

A few years ago, China launched a new economic policy and began opening itself up to the outside world, the prince said, and China has become one of the few countries in the world that are achieving a very high growth rate.

Portuguese Minister Discusses Ties Before Visit

*OW1805031093 Beijing XINHUA in English
0242 GMT 18 May 93*

[Text] Lisbon, May 18 (XINHUA)—Portuguese Foreign Minister Durao Barroso said here today that there was a great potential for deepening relations between Portugal and China, especially in the fields of trade and economic cooperation.

Barroso, who is to begin an official visit to China on May 20, said his government attached great importance to their links in view of that country's increasing role in world affairs.

He said that the relations between the two nations were growing satisfactorily and the frequent exchange of high level visits in the past few years had pushed economic ties to a new height.

But, the foreign minister stressed, there was still room to increase trade and economic cooperation and he hoped his visit would promote this.

Barroso said that he expected to discuss with Chinese leaders the possibilities for expanding relations in broad areas as well as exchange views on international issues of mutual concern.

Referring to the Macao issue, the Portuguese foreign minister said that the Portuguese-Chinese Joint Liaison Group and other relative groups were working on it in a constructive and friendly atmosphere. Both nations hoped the transition of Macao would be completed smoothly to ensure peace and prosperity in the region.

Political & Social**'Informed Source': Li Peng Recovering From Illness***HK2005041493 Hong Kong MING PAO in Chinese
20 May 93 p 7*

["Special dispatch": "Li Peng Will Soon Be Well"]

[Text] According to an informed source in Beijing, Premier Li Peng, who recently suffered a heart attack, is now recovering. The source said his situation has not deteriorated. The Portuguese news agency LUSA said yesterday that the Portuguese foreign minister, who arrives for a visit today, will meet Li Peng tomorrow but the Portuguese Embassy in Beijing denied the report.

Because of illness, Premier Li Peng has not participated in state activities for almost a month. His state of health has once again aroused concern in the outside world because a LUSA report from Macao said that Portuguese Foreign Minister Durao Barroso, who arrives in Beijing today, will meet Li Peng. However, shortly after the news came out, the Portuguese Embassy in Beijing responded and said it would not be possible for Li Peng to meet the visiting Barroso. Last night, rumors in Taiwan even said Li Peng had passed away.

According to information obtained by this newspaper, Premier Li Peng's state of health has tended toward returning to normal, his heart has become stronger every day since the emergency treatment, and he can take care of his daily life following the instructions from doctors. However, he must rest for a period of time before he can resume normal work.

According to another source, Portuguese Foreign Minister Barroso will arrive in Beijing today and, at about 1500, will hold talks with Qian Qichen, vice premier and foreign minister, but there is no arrangement for him to meet Li Peng. The informed source said that even if Li Peng resumes work, he will not choose a meeting with a foreign minister to "show his face" again after returning to office.

Concerning the question of who is in charge of the daily and overall work of the State Council, as Li Peng is resting and Zhu Rongji is visiting foreign countries, our reporter repeatedly raised this issue with the State Council's News Office spokesman on two consecutive days, but to no avail. The reply we received was: "We do not quite understand this situation and we have to look into it further. I am afraid I cannot give you an answer now."

The informed source in Beijing thought that, since the party leads the government in China, Jiang Zemin can perform the roles of either Li Peng or Zhu Rongji. Recently, Jiang Zemin has frequently inquired into economic affairs and, furthermore, various State Council departments have the corresponding vice premiers or state councillors to oversee work, while the daily liaison and control work can be done by Luo Gan,

secretary general of the State Council. Therefore, the problem of "chaos" or "a mess" does not exist.

However, as the replacement of Li and Zhu by Jiang cannot be explained in terms of the Constitution, an explanation to the outside world has now become a problem.

Commentator on Improving Leadership Style*HK2005070993 Beijing ZHONGGUO XINWEN SHE
in Chinese 0404 GMT 20 May 93*

[Text] Beijing, 20 May (ZHONGGUO XINWEN SHE)—Today's RENMIN RIBAO carried a commentator's article on its front page discussing once again the improvement of leadership style.

Entitled "Attaching Importance to Resolving Practical Problems," the commentator's article indicated that although they have spent quite some time in grass-roots units, these days, some leading cadres fail to bring out evident practical results. After going down to grass-roots units, these comrades are usually content with touring, visiting a number of places, doing some superficial investigations, and making highly principled remarks. Yet, they always try their best to avoid practical problems which have been reflected by the grass-roots level or contradictions which need to be settled urgently. With no intention of attaining any achievements in their work, they only want to live in peace with each other. Such practice actually runs counter to the original intention of going down to grass-roots units.

The article indicated: It is with the aim of discovering and solving problems that we go down to, and conduct investigations in, grass-roots units. We do not go down to the grass-roots level just for the sake of going down there or conduct investigation for the sake of the investigation itself. The entire process of investigation and studies should be one of discovering and solving problems. Leading cadres should not be considered qualified if they fail to have a keen insight for discovering and locating problems though they are personally in grass-roots units, or if they are reluctant or unable to find out solutions to problems they have spotted by themselves.

This commentator's article pointed out: By talking about finding solutions to problems, we mainly mean to base ourselves on the results of investigation and studies attained at the grass-roots level, heed the opinions and voice of the masses, acquaint ourselves with contradictions and problems cropping up in our practical work, uncover and sum up new things and new experiences created by the masses in the practice of reform, and work out ways and methods to settle those contradictions and problems. By so doing, we will be able to make decisions and formulate policies which conform to reality, accord with the aspirations of the people, and can help bring about development in all fields of our endeavor.

Lastly, the article noted: It is true that people will face greater difficulties when settling problems which involve the interests and rights of different parties. Yet, in the

face of such problems, leading cadres should all the more engage themselves personally in making investigations and finding solutions. They should, after acquiring a clear understanding of the situation, try to coordinate ties among all parties involved, act resolutely and firmly, and have the courage to give the final verdict. To this end, the most important thing for them to do is to have a high level of dedication and a high sense of responsibility, handle affairs for the common people wholeheartedly, and constantly enhance their capability to resolve practical problems.

Arrest Warrants for Daqiu Zhuang Suspects Issued

HK1705150293 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1232 GMT 8 May 93

[Text] Beijing, 8 May (ZHONGGUO TONGXUN SHE)—On 6 May, the Public Security Ministry issued wanted circulars for Liu Yunzhang and Li Zhenbiao, two culprits who are on the run in connection with a murder case that occurred at Daqiu Zhuang.

According to the wanted circulars, on 14 December last year there occurred a case of illegal confinement and assault resulting in death at the Wanquan Company in Daqiu Zhuang of Jinghai County, Tianjin. The four suspects in the case went into hiding to escape punishment for their crime. On 19 and 28 March this year, public security authorities arrested two of the suspects, Liu Shaosheng and Chen Xiangqi. The other two suspects, Liu Yunzhang and Li Zhenbiao, are still on the run.

Reports have indicated that Liu Yunzhang and Li Zhenbiao, both 29-year-old men who hail from Daqiu Zhuang, have changed their names to Yang Jie and Zhang Zhiming.

In the wanted circulars, the Public Security Ministry expressed its hope that the people would offer their active assistance and would report any clues in connection with the case. It added that those individuals who contribute to the arrest of the two suspects will be rewarded.

Some Half Million Intellectuals 'Doing Business'

HK1905142893 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1135 GMT 15 May 93

[Text] Beijing, 15 May (ZHONGGUO TONGXUN SHE)—An authoritative survey reveals that some 500,000 intellectuals in the China mainland are now doing business, running some 20,000 private scientific and technological firms. This new force for high-tech development has been displaying its vigor.

"Plunging into the ocean" is a colloquial expression that people in the China mainland use to refer to intellectuals doing business. So far, 500,000 intellectuals in the mainland have "plunged into the ocean," accounting for 2-3 percent of the total number of intellectuals in the country. Some of the Mainland Chinese intellectuals have been "pushed" down into the "ocean," some who

"jumped into the ocean" have drowned, while the vast majority are still wandering about along the coast.

Society Blamed for Intellectuals' 'Early' Deaths

HK2005001593 Beijing ZHONGGUO XINWEN SHE in English 1425 GMT 19 May 93

[Text] Beijing, May 19 (CNS)—The status and treatment of intellectuals in the mainland have improved with China's reform and opening to the outside world and, with the rapid social and economic development, greater knowledge and skills are required by the various professions, boosting the standing of intellectuals. Generally speaking, such persons, specially those in middle age, shoulder at this time, however, a heavy work load with their standard of living, pay scale and treatment falling far short of their work efforts. Quite a number of middle-aged talented intellectuals who make a contribution to the state frequently die young. At Beijing University alone, three leading academicians passed away one after the other at ages below 60 in the past few months.

Society is to blame for failing to provide them with a good work environment and standard of living.

Several noted middle-aged scientists including Mr. Jiang Zhuying died several years ago as the result of long-term neglect of their well-being by society. Their deaths were a great shock at the time and many people bitterly pointed out that these intellectuals had died from exhaustion. Persons from all walks of life, especially the media, had on numerous occasions appealed for the various government organs to pay more attention to the treatment and health of middle-aged intellectuals and to solve their work and living problems.

Despite efforts made by some local governments in helping intellectuals to solve their problems of housing and separation from their spouses, no regulations aimed at safeguarding the rights and interests of intellectuals yet exist while there has been no improvement seen in their pay scale and treatment.

Campaign To End Iodine Deficiency Diseases Planned

HK2005074093 Beijing CHINA DAILY in English 20 May 93 p 1

[Report by staff reporter: "Campaign Planned To End IDD Epidemic"]

[Text] A nationwide campaign will be launched soon to wipe out iodine deficiency diseases (IDD) by the year 2000.

Nearly 30 government institutions, including the Ministry of Public Health, the China Disabled Persons' Federation (CDPF), and the State Family Planning Commission, will participate in the national action started in July this year, said Zhou Jingdong, CDPF's vice president.

The draft programme includes an introduction to the IDD epidemic situation in China and specifies duties for

each state department in the national action plan. It also spells out remedies for high-risk people like pregnant women and newly-born babies.

State Councillor Peng Peiyun stressed recently that the government and people must be concerned about children's physical quality. "It is a matter closely related to the welfare of each family and the future of the whole nation," she said.

Peng, who is now in charge of women and children affairs as well as health and population issues, expressed that she would do her best in the cause of reducing birth deformities in China.

Peng made the remarks on Monday in Beijing at a discussion on improving birth conditions and enhancing children's quality.

Many government officials, including Wu Jieping, deputy director of the Standing Committee of the National People's Congress (NPC), Song Ping, director of China Family Planning Association and Chen Minzhang, Minister of Public Health, attended the discussion. It was jointly organized by the State Family Planning Commission, the Ministry of Public Health, the China Family Planning Association and the China Improved Birth Science Society. It was also supported by the Zunyi Male Infertility Research Institute in Guizhou Province.

All agreed that the country should give priority to improvement of children's quality while slowing down rapid growth in population.

Some 15 medical specialists suggested during the discussion that the State map out legal regulations that will forbid all units and individuals from selling non-iodine salt to IDD epidemic districts, and that violators be severely punished.

Li Tieying Condolences on Liaoning Official's Death

*SK1905090393 Shenyang LIAONING RIBAO
in Chinese 3 May 93 p 1*

[Excerpt] Comrade Zhang Zhengde died after all life-saving efforts proved ineffectual in Shenyang at 0630 on 20 April, at the age of 75. He was an outstanding CPC member, a loyal communist fighter, former secretary of the Liaoning Provincial CPC Committee, and chairman of the Sixth Liaoning Provincial People's Congress Standing Committee and secretary of the leading party group under the Standing Committee.

Attending the funeral and paying last respects to the remains of Comrade Zhang Zhengde in the provincial people's hospital were leading comrades from the provincial party committee, advisory commission, discipline inspection commission, people's congress, people's government, the Chinese People's Political Consultative Conference committee, and military district; and veteran comrades, including Quan Shuren, Yue Qifeng, Sun Qi, Shang Wen, Guo Feng, Huang Oudong, Xu Shaofu,

Wang Guangzhong, Hu Yimin, Wang Wenyuan, and Liu Guojun; as well as his friends.

Sending messages of condolence to the funeral were central leading comrades, like Li Tieying, Chen Muhua, Li Guixian, Song Ping, Song Renqiong, Li Desheng, Liao Hansheng, Yan Jici, and Huang Huoqing; as well as the Organizational Department under the CPC Central Committee, the Anhui Provincial CPC Committee, the Anhui Provincial People's Congress, the Hebei Provincial CPC Committee, the Hebei Provincial People's Congress, the Heilongjiang Provincial CPC Committee, the Shenyang Military Region, the CPC Committee of Shouxian County the native region of Comrade Zhang Zhengde in Anhui Province, the Shouxian County People's Congress, and his friends. [passage omitted]

Military

Meeting on Placing Demobilized Army Cadres Held

*OW1905082493 Beijing XINHUA Domestic Service
in Chinese 1047 GMT 18 May 93*

[By RENMIN RIBAO reporter Guo Jia (6753 0857) and XINHUA reporter Xu Jingyue (1776 0079 6460)]

[Text] Beijing, 18 May (XINHUA)—With the approval of the State Council and the Central Military Commission, a national conference on resettling demobilized Army cadres in 1993 was held in Beijing today.

Speaking at the conference, Song Defu, head of the State Council's Work Group for Placement of Demobilized Army Officers and Minister of Personnel, said: We face rather formidable placement tasks because we have to resettle twice as many demobilized Army cadres this year as we did last year. Properly resettling demobilized Army cadres is an important political task, a common responsibility and obligation for all party members and people in all circles, and an objective condition for building the Army, ensuring social stability and unity, and accelerating reform, opening up, and modernization. The party Central Committee, the State Council, and the Central Military Commission devote serious attention to resettling demobilized Army cadres in the new situation. Jiang Zemin and other leading comrades have repeatedly emphasized this work. Although it has given rise to many new circumstances and problems regarding the placement of demobilized Army cadres, the current new situation in which the country is gearing up its drive of reform and opening up has generated conditions that are more favorable to this work. All localities should stress general interests, realistically implement various placement policies enacted by the State Council and the Central Military Commission, widen the channels of placement, and thoroughly carry out placement tasks.

Song Defu stated: This year, we have introduced some preferential policies regarding the placement of demobilized Army cadres by encouraging the latter to work in

wholly or partially foreign-owned enterprises, the tertiary sector, village and town enterprises, jobs related to key construction projects, and economic development zones. These policies have broadened the channels for resettling demobilized Army cadres, opened up new fields to which they are assigned, and afforded them more opportunities to apply their skills. All localities should heed the new situation and new requirements, continue to strengthen and improve training for demobilized Army cadres, make every effort to solve the problem of providing housing for these cadres, and conduct serious and scrupulous ideological and educational work among these cadres to help them dispel misgivings about assuming new posts.

Yu Yongbo, deputy head of the State Council's Working Group for the Placement of Demobilized Army Officers and director of the People's Liberation Army's General Political Department, also spoke at the conference. He said: In recent years, all localities have devoted serious attention to resettling demobilized Army cadres, leading to smooth progress in carrying out placement work. The proper resettlement of demobilized Army cadres is of vital significance for implementing Comrade Deng Xiaoping's thinking on army building in the new period, for improving army quality, and for downsizing the military in a manner unique to China. We should further recognize the importance of resettling demobilized Army cadres in the new situation, earnestly implement various policies and provisions, and spare no effort in properly resettling Army cadres who are demobilized this year. We should conduct effective ideological, educational, and organizational work among demobilized Army cadres by educating them about the need to change their notions, to consider pursuing a successful career in economic construction, to conscientiously carry forward our Army's fine traditions, and to continue arduous pioneering work in their new jobs. We should educate demobilized Army cadres about the need to consider general interests, to strictly enforce discipline, and to readily accept the assignments made by their organizations.

Switch to Business Sector Urged

HK2005073293 Beijing CHINA DAILY in English
20 May 93 p 1

[Report by staff reporter Gao Jinan: "Ex-Soldiers Encouraged To Turn to Business"]

[Text] In its effort to trim overstaffing, the Chinese Government is encouraging demobilized military personnel to switch to the business sector instead of relying on the State for new jobs.

Ex-servicemen are being asked to work in joint ventures, the fledgling tertiary industry, township enterprises, or key construction projects, or to go to the approved economic development zones, according to a senior government official.

Personnel Minister Song Defu, addressing a national conference on the resettlement of discharged officers, revealed on Tuesday that the government will grant preferential treatment to officers who wish to go into business on their own.

Song said the number of demobilized officers this year will be "double that of last year," making their rehabilitation a difficult task.

Last year, some 32,000 military officers were discharged. All of them were assigned jobs by the State.

Song, who is also director of the State Council's leading group for rehabilitation of demobilized officers, said that 78.3 percent of officers being discharged this year are under 40 and that 46 percent have received at least three years of higher education.

The government, trying to maintain stability in both the armed services and society, has attached great importance to the proper rehabilitation of demobilized officers.

In the past, all discharged officers were guaranteed re-employment and related benefits. Most were assigned to work in government units, such as public security departments, procuratorates, courts, or tax and customs administrations.

More Chances

Song said that this year discharged military personnel will be given more chances at professional training so they can find work sooner.

Last year, more than 680 training courses enrolled about 26,000 ex-officers. The programmes offered instruction on business management, finance, foreign trade, computer science, shareholding systems, trust and investment, and public relations.

General Yu Yongbo, director of the General Political Department of the People's Liberation Army, told the conference that although many more high-ranking officers are expected to be discharged this year than last year, he hoped they will be well taken care of. He said proper attention would be given to their benefits, including housing and employment for spouses.

The conference was told that the party and state leadership, including General Secretary and President Jiang Zemin, has urged government departments at all levels to make every effort and cooperate closely to speed up rehabilitation and ensure that it goes without a hitch.

Jiang Zemin Meets Representatives

OW1905114893 Beijing XINHUA Domestic Service
in Chinese 0841 GMT 19 May 93

[By correspondents Liu Huinian (0491 0932 1628) and Xu Jingyao (1776 0079 6460)]

[Text] Beijing, 19 May (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, state president, and chairman of the Central Military Commission, this afternoon met with representatives attending the national work meeting on the placement of military cadres who are to be transferred to civilian jobs.

Liu Huaqing, Hu Jintao, Li Lanqing, Zhang Zhen, and Luo Gan took part in the meeting.

Jiang Zemin made an extemporaneous speech during the meeting. He said: The party Central Committee, the State Council, and the Central Military Commission have attached great importance to the work of resettlement of military cadres who are to be transferred to civilian jobs, because this is a major issue related to economic prosperity and is also an important political task. The party Central Committee, the State Council, and the Central Military Commission have formulated a series of principles and policies; and local governments at various levels have also tried their best, displayed a high sense of responsibility, and accomplished a lot of work in the resettlement of military cadres who are to be transferred to civilian jobs. On behalf of the party Central Committee, the State Council, and the Central Military Commission, I would like to express my thanks to all comrades who are engaged in this work.

He said: The number of cadres to be transferred to civilian work this year will be greater than that of last year. At present, various units from the central authorities to local governments are all carrying out organizational reform and are reducing staff. Therefore, the task of resettling military cadres will be very heavy. It is hoped that party committees and governments at various levels will attach great importance to this project, overcome difficulties, and do their best to properly resettle those military cadres who are to be transferred to civilian jobs. Military cadres have labored assiduously for the defense of the country, and doing a good job in this area will be very helpful for promoting military building, social stability, and economic development.

Zhang Wannian, Yu Yongbao, Fu Quanyou, and Song Defu also attended the meeting.

Ordnance Shareholding Company Inaugurated

OW1905092593 Beijing XINHUA Domestic Service in Chinese 0248 GMT 18 May 93

[By RENMIN RIBAO reporter Bao Hongjun (7637 3163 0193) and XINHUA reporter Chen Jiang (7115 3068)]

[Text] Haikou, 18 May (XINHUA)—Hainan Heping Industrial Shareholding Company—the first transdepartmental shareholding company of China's ordnance manufacturing system—was inaugurated in Haikou today. The establishment of the company, organized by the defense industry and some key enterprises and institutions of scientific research departments in Hainan, with a capital of 308 million yuan, represents a major breakthrough in changing the defense industry's

operating mechanisms and in rearranging the supply of production elements in our country.

It has become a worldwide trend to use military industrial technology for peaceful purposes, in an effort to shift from the manufacture of military to civilian products. The success of China's defense industry in shifting from military to civilian production has attracted the world's attention; however, ordnance enterprise reform over the past several years has been conducted under their original operating mechanisms. As a result, many of them have made little progress. A new path that will lead them toward a socialist market economy has yet to be found.

The Hainan Heping Company has been dubbed by economic experts a "test-tube baby" enterprise because it is a new, financially strong economic entity derived from many mother enterprises. The company's shareholders consist mainly of large defense industry enterprises from the aviation, space, shipping, and nuclear industries and from research institutions and universities. As far as the structure of share ownership is concerned, a shareholding system under which the initiators are equal was adopted. Because the company is not under the administration of a special department and no organization is assigned to control the shares, the separation of government functions from those enterprises has been truly realized. This experiment will have a far-reaching impact on the establishment of a new operating mechanism for ordnance enterprises and on the smooth shift from manufacturing military products to producing civilian goods.

The establishment of the Hainan Heping Company has also found an effective way to reorganize ordnance enterprises' production elements. The company's capital stock of 308 million yuan can do very little if it is dispersed in scores of ordnance enterprises, but if the capital is concentrated in a single company, it will make it one of the largest shareholding companies in Hainan. The company's financial power has freed many enterprises from the embarrassment of being unable to undertake big projects, and it has won many contracts for projects at home and abroad. When the company was being organized, it qualified to initiate a shareholding company to undertake the construction of a Hainan-mainland railway link and the construction of Hainan Airport, thus creating development and business opportunities for the defense industry to shift to the manufacturing of civilian goods.

Jin Zhude, president of the Hainan Heping Company and director general of the China Association for the Peaceful Use of Ordnance Technology, said that the company is an enterprise that has shifted from manufacturing military products to producing civilians products, adding the company will concentrate on dealing in new, high-technology projects for civilian use and will actively take part in investing in and building basic industries, such as transport, energy, and telecommunications, which are urgently needed for economic development in

various areas. He also said the company will use the defense industry's strong points in science and production technology to serve the national economy, which is our central endeavor.

Liu Huaqing Attends Military Technology Class

OW1905161793 Beijing XINHUA Domestic Service in Chinese 0908 GMT 19 May 93

[By reporter Xu Jingyue (1776 0079 6460)]

[Text] Beijing, 19 May (XINHUA)—The "Scientific and Technological Development and Military" class for the organs of the headquarters of the People's Liberation Army [PLA] and military units stationed in Beijing closed today. Liu Huaqing and Zhang Zhen, Central Military Commission [CMC] vice chairmen, attended the class today.

The class began 29 April in compliance with the CMC's instruction that high-ranking military cadres should take the lead in studying modern sciences and technology. Leading CMC comrades had shown great concern for the class. Jiang Zemin had been personally briefed on the progress of the class and heard a report on responses to the class. Other CMC leaders attended the class and provided guidance to the class on several occasions. High-ranking cadres of various major PLA units in Beijing actively attended the class.

In his address at the class commencement, Zhang Wannian, CMC member and chief of the PLA general staff, pointed out: Since the 14th National CPC Congress, Chairman Jiang Zemin has stressed on several occasions that leading cadres at all levels of the Armed Forces, especially high-ranking cadres, should take the lead in studying science and technology and should strive to gain more modern scientific and technological knowledge to enable themselves to truly become qualified commanders of a modern armed forces. Learning more modern scientific and technological knowledge is also an important part of Comrade Deng Xiaoping's theory on armed forces building in the new period. Cadres and organs at all levels, especially high-ranking cadres and high-level command organs, should regard studying modern sciences and technology as a long-term task and persistently carry out the task to fundamentally raise cadres' educational level and to nurture qualified commanders for a modern armed forces. While we should pay attention to the study at the present, we should pay even greater attention to long-term training. We should organize all military cadres in a planned and systematic way to study modern sciences and technology, establish a system for the study, and make the study a trend and a long-term task. We should closely relate the study to reality and closely integrate the study with the implementation of the CMC guidelines on armed forces building in the new period.

Also attending the class today were CMC members Yu Yongbo and Fu Quanyou and nearly 100 generals of PLA headquarters and military units in Beijing.

Chengdu Military Region Head Inspects Guizhou

HK1905143093 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 17 May 93

[Text] While inspecting the militia work in our province's large and medium state enterprises recently, Lieutenant General Li Jiulong, commander of the Chengdu Military Region, said: Large and medium state enterprises should organize the militia according to the law and fully exercise the militia's significant role in the building of the two civilizations to comprehensively promote economic development.

Accompanied by Su Qi, commander of the provincial military district, from 14 to 17 May, Li Jiulong, commander of the Chengdu Military Region, inspected militia work in the Junyi Winery, the Guiyang Mining Machinery Plant, the Anshun Changyang Aircraft Manufactory, and other large and medium state enterprises, and listened to the briefings of the leading cadres of these enterprises. During his inspection in Guiyang and Anshun, Commander Li Jiulong also checked and watched several times the military performances of enterprise militiamen and militia emergency squad performances of rushing to deal with emergencies, giving first-aid to the wounded, setting broken bones, and other training items. He spoke highly of the well-trained enterprise militiamen and their strict professional style and military skills.

Commander Li Jiulong pointed out: Persistence in the party commanding the armed forces and in organizing the militia according to the law is the key to actually implement armed forces work. During the revolutionary war, we relied on the militia and defeated enemies; during the period of economic construction, we should likewise rely on the militia to win a victory. We will train the militiamen to become pioneers of economic construction and masterminds of the national defense reserve forces.

Economic & Agricultural

'Record Number' of Laws Proposed for 1993

HK2005072593 Beijing CHINA DAILY in English 20 May 93 p 1

[Report by staff reporter Chang Hong: "State To Accelerate Economic Legislation"]

[Text] Regulations governing stock trading and revisions of business contract law are among major legislation the central government plans to adopt this year, a leading government lawmaker said in Beijing on Tuesday.

A record number of statutes, including 17 laws and 72 sets of administrative regulations, will have been submitted to the State Council for consideration in 1993, said Yang Jingyu, director of the Legislative Affairs Bureau under the State Council.

Mainly covering business, trade, and economic control, the legislation represents the core of the government's legislative plan for this year, Yang told a press conference.

The top government lawmaker said that the plan was formulated in light of the need for more economic legislation and focused on laws and regulations relating to the operation of the market economy.

In line with legislative procedure, the State Council will present the laws to the National People's Congress and its Standing Committee for approval while enacting within its jurisdiction the administrative rules and regulations.

Thirty-seven of the 42 bills the central government proposed to the state legislature in the last five years have become law.

Yang listed the law restricting unfair competition, amendments to the economic contract law and the accounting law, and the law on certified public accountants as the major ones the government plans to introduce to regulate the market economy.

Administrative rules in this respect include provisional regulations on the issuance and trading of stocks and regulations governing the management of urban and rural free markets, he said.

To improve the country's social security system and safeguard Chinese citizens' legal rights, the labour law, the law on the protection of consumers' rights, as well as regulations on unemployment insurance concerning State-owned enterprises workers and on settlements of labour disputes have been drafted or are in the making.

To intensify macro-control over the economy, Yang said, the budget law, revisions on the individual income tax law, and provisional regulations on enterprise income tax and regulations on the management of state properties are to be introduced.

Industries Making 'Good Use' of Foreign Capital

OW2005143493 Beijing XINHUA in English 1149 GMT 20 May 93

[Text] Hangzhou, May 20 (XINHUA)—China has made good use of foreign capital to boost its economy since 1979, when the country initiated the twin policies of economic reform and opening to the outside world.

According to a seminar on using foreign investment to develop China's economy which was held here recently, China absorbed foreign capital amounting to 94.685 billion U.S. dollars between 1979 and 1992. Included in that figure is 34.512 billion U.S. dollars in direct foreign investment.

The money mainly came in the form of loans granted by foreign governments and banking organizations, the

issuing of stocks and bonds overseas and the establishment of foreign-funded enterprises within China.

With a continuous improvement in investment conditions, overseas investment in China has expanded steadily.

Over the past decade, the country has approved the establishment of 84,000 overseas-funded enterprises, with direct foreign investment in agreement totalling 109.838 billion U.S. dollars.

Last year's decision to open the Yangtze River valley, border areas, and all provincial capitals further to the outside world has aroused great interest among large trans-national companies.

According to the seminar, China already has benefited from the use of foreign capital.

Its foreign trade boom in recent years has attracted world attention. Its imports and exports now rank 11th in the world, up from 32nd place in 1978, immediately before the country began its open policy.

Last year saw the country export 85 billion U.S. dollars worth of goods, which accounted for 19 percent of China's gross national product.

The value of goods imported and exported by overseas-funded enterprises last year reached 43.75 billion U.S. dollars, or one-fourth of the country's total.

Industrial Growth To Remain at 20 Percent

HK1905151193 Beijing ZHONGGUO XINWEN SHE in English 1423 GMT 19 May 93

[Text] Beijing, May 19 (CNS)—According to a recent survey of 5,000 industrial enterprises in 12 provinces and municipalities in the country conducted by the State Information Centre, there will be still greater growth in the investment scale and consumption market in the second quarter over the first quarter when growth exceeded 25 percent. Based on growth for the same period last year, the gross industrial value in the second quarter of this year will be 20 percent up.

According to the survey, among the 5,000 enterprises studied, those considered to have seen an overall operational improvement increased from 38 percent in the first quarter to 54 percent and those considered not to have changed or to have become worse dropped by 5 percent and 11 percent respectively. This indicates the stronger growth of industry in the second quarter.

Among the 11 key trades, eight, including petroleum processing, coal extraction, machinery, manufacturing of transportation equipment, electro-mechanical industry, supply of power and steam, textiles and construction materials, are all booming, while metallurgy, foodstuffs and chemical industry are in a slump.

Despite the general high growth of industrial production, the "bottleneck" problems of energy, raw and processed materials and transport have been deteriorating further.

Economist Proposes Measures for Curbing Inflation

HK1905143293 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0750 GMT 19 Nov 93

[By reporter Mai Shilong (7796 2514 7893)]

[Text] Hong Kong, 19 May (ZHONGGUO TONGXUN SHE)—In view of the appearance of a vicious inflation crisis in the domestic economy, a mainland economic expert came up with four major countermeasures. When being interviewed by ZHONGGUO TONGXUN SHE, Li Xiaoxi, a middle-aged Chinese economist, pointed out that measures for curbing inflation can be taken in the three aspects of diversion, pressure reduction, and explosion prevention.

It is learned that swelling investment in the mainland economy has led to substantial enlargement of the size of credit and money supply, and inflation pressure is rising, bringing about a stern financial situation. This point of view has been accepted by economic circles and top decisionmakers in China. It is held by experts that the inflation rate of 8.6 percent in China cannot be regarded as a low level, and the crisis of vicious inflation indeed exists. It is not unlikely that vicious inflation will appear nationwide in the second half of this year or in the early months of next year. In such circumstances, it is of great importance to consider how to strengthen the government's macroeconomic regulation and control.

Li Xiaoxi said: Mainland China must put up with a certain degree of inflation brought about by reform and normal development. At the same time, however, the authorities must face squarely and deal effectively with inflation caused by such factors as ill-coordinated reform measures and various overheated factors in the economy. He pointed out that action should be taken in the three aspects of diversion, pressure reduction, and explosion prevention. That is, the purchasing power of residents should be diverted, inflation pressure should be reduced, and the outbreak of vicious inflation should be prevented.

He said: Four measures can be adopted to curb inflation. First, grasping the opportunity to develop the securities market so that idle funds can be raised and the purchasing power of residents can be diverted. Second, interest rates of savings and deposits should be raised as soon as possible. Third, new investment projects and currency issuance should be controlled appropriately. In particular, investment momentum in the state-owned economy must be brought under control. Fourth, the government should try by every possible means to reduce the financial deficit, and should not make up for the deficit by means of issuing more banknotes. Under the current system, the method of issuing government bonds may also fuel inflation.

Minister on Revitalizing Machine-Building Industry

OW1905151793 Beijing XINHUA Domestic Service in Chinese 0059 GMT 19 May 93

[By reporter Zou Qingli (6760 3237 7787)]

[Text] Beijing, 19 May (XINHUA)—The machine-building industry, which is usually called the mother of all industries, was one of the key industries marked for invigoration by Premier Li Peng in his Government Work Report at the First Session of the Eighth National People's Congress. This reporter recently interviewed Machine-Building Industry Minister He Guangyuan on how the industry can cater to national economic development needs.

He Guangyuan graduated in 1951 from the Mechanical Engineering Department of Huabei University's College of Engineering and went to the former Soviet Union to study for five years. He has devoted himself to China's machine-building industry since his return to the country. This "old machine," who began his career as an industrial artist, is deeply attached to the country's machine-building industry. One of the things that he likes most is to inspect work and to investigate and study grass-roots units and enterprises. Not long before my interview, he returned from an inspection tour of Zhejiang's machine-building industry and submitted to the State Council an investigative report on the transformation of enterprise operating mechanisms.

He Guangyuan was elated when he talked about the current situation and the future of the country's machine-building industry.

He said: Judging from the current situation, production and sales for the machine-building industry are improving—the number of money-losing enterprises is decreasing, and the industry's profits and taxes it delivers to the state are on the rise. During the first quarter of this year, the machine-building industry's sales revenues amounted to 85.118 billion yuan, up 50.8 percent from the same period of last year; the industry's profits and the taxes it delivered to the state reached 7.643 billion yuan, 60 percent more than the same period last year—and both were the highest ever.

He Guangyuan contended that the reestablishment of the Ministry of Machine-Building Industry is concrete evidence of the state's decision to inject new vitality into the country's machine-building industry to make it a pillar industry of the national economy. He said: As leader of the country's machine-building industry, I feel that my responsibility is heavy. Five things need to be done after the ministry is established: First, we must study and work out a plan for invigorating the machine-building industry, as well as a plan to develop the industry during the Ninth Five-Year Plan. Second, we must deepen reform. In 1993, we will concentrate on making reform focus on transforming state-owned enterprises' operating mechanisms; we will join forces with

other government departments in delegating management powers in 14 areas to enterprises and in creating good external conditions for enterprises to transform their operating mechanisms—such as nurturing various kinds of essential markets, developing various social security systems, and making the laws and regulations governing economic functions more complete. In addition, we will address ourselves to reforming the planning system, the science and technology system, and the education system. Third, we will work forcefully to modernize existing technology, restructure the product mix, increase the output of readily marketable products, and phase out outmoded products. We will strive to improve as soon as we can the quality of basic machinery and parts and to increase the variety of these products. We will enhance enterprises' technological development capabilities so that they can continue to develop new products to meet market demands. We will orchestrate the efforts and resources of research institutes under the Ministry of Machine-Building Industry and those of ordinary universities and colleges, and reasonably divide work between them, so that they can cater to specific enterprises and transform research results into productive forces as quickly as possible. Fourth, we will ensure that work in tackling crucial problems in developing key technology and equipment during the Eighth Five-Year Plan will be properly carried out. We will meticulously organize development and production work and ensure that products are finished according to quality requirements, in the quantities demanded, and according to schedule. Fifth, based on the principle of separating government administration from enterprise management and of separating enterprise ownership from the right to operate them, we will actively explore specific ways to manage state assets in order to solve problems concerning transfers without compensating assets of state-owned machine-building industrial enterprises, and concerning selling off and draining these assets.

He Guangyuan said: As the department in charge of the nation's machine-building industry, the newly established Ministry of Machine-Building Industry will reform management work according to the socialist market economic system's demands—changing the closed-type management method into an open one, turning departmental management into management by products, and changing comprehensive management into management of key matters—and will gradually establish methods and systems based on indirect management concepts and learn to manage employing economic means, policies, laws, regulations, information, and other means.

1993 Spring Communications Product Fair Ends

SK1905084493 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 18 May 93

[Text] The 1993 spring national communications and electrical product fair ended in Harbin on 18 May. The total transaction volume surpassed 700 million yuan. More than 200 commercial enterprises and production

plants displayed their products at this fair. The prominent characteristics of this fair included the high transaction level, the new designs and patterns of exhibits, and the complete variety of exhibits. Of the transaction activities, many were spot transactions, many contacts were signed, and the transaction volume was greater than that of the previous fair. On display were not only the communications and electrical industrial products well-known for many years but also many newly developed products such as motor vehicles and motor-driven bicycles.

Northeastern Forest Railway Net Use Declining

OW2005140593 Beijing XINHUA in English 1307 GMT 20 May 93

[Text] Huhhot, May 20 (XINHUA)—In northeast China's forest areas, there is a complete network of half-sized railways, but not many people know it.

The number of such railways rose following New China's development in forestry and is falling as the government is strengthening its protection of forest resources.

The towing equipment of the earliest forest railways in the '40s was a combination of horses and steam locomotives fueled by log-burning engines. The horse towed the lumber car on the railway tracks from the cutting area to level ground, then the locomotive towed the lumber car to the lumber yard.

In the early '50s, New China began to upgrade and expand its forest railways, with outdated horse and steam locomotives replaced by 380-horsepower diesel locomotives.

The track gauge of forest railways is 762 mm, about half the size of that of the country's state railways. Apart from lumber, the forest railways also transport other cargoes and passengers.

Most of the forest railway workers work in remote, thickly forested mountains all the year round and have to spend six months of severe winter there.

In the past 40 years, according to the forestry bureau of the Da Xinggan Ling area, which employs about 5,000 workers, forest railways in the area transported 48 million cubic meters of lumber and 10.14 million passengers.

In recent years, the forest railways have been retiring from service as the state imposes stricter limitations on tree cutting. Now, the forest railway lines in the whole country have been reduced to 30 from 35 when the railway was at its peak. In the Arxan area in Inner Mongolia alone, the total length of railway lines has been reduced to 1,000 km from 1,600 km.

This situation, however, has caught the interest of some businessmen. It is reported that they are planning to change the forest railway business into a tourist one. The idea of touring old-growth forests on small trains might attract tourists.

Oil, Grain Coupon System To End 'Soon'

*HK1905150193 Beijing ZHONGGUO XINWEN SHE
in English 1422 GMT 19 May 93*

[Text] Beijing, May 19 (CNS)—To date, more than 1,800 counties and cities in 27 provinces, municipalities and autonomous regions have opened the prices of grain and oil, accounting for more than 80 percent of the country. Only a few remote areas in Ningxia, Tibet and Hainan have still not completely opened their prices of these commodities. This means that the coupon system established in 1955 will soon come to an end.

With the improvement of the living standards of the people, grain consumption for the people in the country has gradually dropped since 1986. The per capita consumption volume in 1991 was 234 kilogrammes while the per capita grain production in recent years was annually above 350 kilogrammes, resulting in an ample supply of grain and creating the conditions for reform of grain and oil prices. In 1991, some places in Shandong, Sichuan, Guangdong and Fujian opened their prices of grain and oil and in April, 1992, Guangdong province opened these prices right across the province and after that other provinces, cities, autonomous regions in the country started to open these prices.

Generally speaking, there has been considerable stability in the transformation of the grain supply from a planned economy to a market economy. After opening up these prices, there has been no wild fluctuations in the prices nor other abnormal phenomena.

Li Lanqing Urges Grain, Edible Oil Purchases

*OW1905161693 Beijing XINHUA in English
1523 GMT 19 May 93*

[Text] Beijing, May 19 (XINHUA)—In a telephone conference this evening Chinese Vice-Premier Li Lanqing urged local governments to raise sufficient money to purchase grain and edible oil this summer.

Li said that the purchasing this summer will be the first time since the state lifted controls from the prices of and dealings in grain nationwide, and it is connected with a series of state policies on grain and rural production.

He pointed out that the key lies in raising purchasing funds. Administrations at all levels should take effective measures to earmark the necessary funds as soon as possible, in co-operation with local banks and financial and grain departments.

Li emphasized that local governments must by no means do anything to harm the interests of the farmers lest they lose enthusiasm for production.

Li also said that grain is a special commodity with strategic significance. Although the state has lifted controls from grain prices and dealing, the state's grain departments are still in charge of adjusting the grain market, contract purchasing, disaster relief, military grain supply and grain storage.

Officials with state's grain departments say that China's grain output this summer will basically remain the same as that of last year or a little bit decrease, while the output of edible oil products will decrease somewhat. But this year is still a good year for grain and edible oil production.

Law To Fight Rural Collective Asset Appropriation

*OW2005141593 Beijing XINHUA in English
1254 GMT 20 May 93*

[Text] Beijing, May 20 (XINHUA)—Beijing has approved regulations to prevent the appropriation of collectively-owned properties in rural areas.

The new rules require detailed descriptions of properties. They stipulate compensation for collective property that is leased or put into shareholding companies, and for payments to ensure that properties will increase in value. Provision is made for the payment of depreciation charges to collectives.

Collectively-owned properties such as township enterprises are being switched to management by individuals. However there was no existing law covering definitive description for collective properties, nor any effective management system.

According to government statistics, collectively-owned properties in townships and villages were valued at 29.75 billion yuan last year.

East Region

Jiangsu Governor Expects Rapid Economic Growth

HK2005052093 Hong Kong WEN WEI PO in Chinese
9 May 93 p 2

[Report on "Special Interview" with Jiangsu Governor Chen Huanyou by staff reporter Cho Chien-an (0587 1696 1344) in Hong Kong 8 May: "Jiangsu To Attract \$10 Billion in Foreign Investment"]

[Text] When interviewed by our staff reporters in Hong Kong yesterday, Jiangsu Governor Chen Huanyou said: This year, Jiangsu's national economy is expected to maintain a rapid growth rate of 15-20 percent. At the forthcoming "1993 Jiangsu Province Foreign Economic Cooperation Fair" to be held here in Hong Kong this month, Jiangsu will offer more than 1,000 cooperation projects. At the forthcoming fair, Jiangsu will try its best to attract foreign funds by signing a large number of projects involving a total of \$10 billion in foreign investment.

Jiangsu Registered Highest Economic Growth Rate Among Chinese Provinces Last Year

Governor Chen Huanyou stated: Last year, spurred by the spirit of a series of important speeches made by Deng Xiaoping during his south China tour, as well as the spirit of the 14th CPC National Congress, Jiangsu registered a rapid economic growth with total provincial gross national product [GNP] reaching 189.6 billion yuan, 14 percent more than the country's average and representing a 27 percent increase over the year before. This was the highest growth rate of all the Chinese provinces. Last year, Jiangsu also made much headway in utilizing foreign funds by approving a total of 8,276 three-capital enterprises [enterprises run with foreign capital, Overseas Chinese capital, and with both Chinese and foreign capital], representing a 250 percent increase over the total number of three-capital enterprises which had been approved during the previous 11 years. Moreover, Jiangsu also signed cooperation contracts involving \$7.69 billion in foreign investment and actually used \$1.72 billion of foreign funds, representing increases of 300 and 140 percent, respectively.

"This year, Jiangsu is expected to maintain a fast economic growth rate on the basis of last year." Governor Chen Huanyou stated: Last year, thanks to the spirit of a series of important speeches made by Deng Xiaoping during his south China tour and the spirit of the 14th CPC National Congress that were commensurate with the aspirations of the broad masses of people, the people's enthusiasm was aroused, and this enthusiasm is expected to remain for a long time. This is why it is quite natural that Jiangsu Province will continue to maintain a fast economic growth rate this year. In addition, China has implemented reform and opening up for more than a decade. The energy accumulated over the past decade or so is gradually being released and, thanks to such energy release, Jiangsu Province made great strides in respect to

economic growth last year. Energy such as this will continue to be released this year and this is why it is quite possible that Jiangsu Province will continue to maintain a fast economic growth rate this year. Nonetheless, Chen Huanyou pointed out: Last year, the Jiangsu provincial national economic growth rate reached 27 percent, a very high rate indeed but probably due to a low growth rate registered the year before. Therefore, this year, it is unlikely that Jiangsu Province will continue to register the same high growth rate as last year. However, Jiangsu will still maintain a fast economic growth. It is predicted that the Jiangsu provincial national economic growth rate will hit 15 to 20 percent this year.

The "Southern Jiangsu" Mold Is Undergoing Changes

Chen Huanyou noted: In the first quarter of this year, Jiangsu Province maintained a sound economic growth momentum with total provincial industrial output value gaining a 48.6 percent increase over the corresponding period of last year. Jiangsu also made much headway in utilizing foreign funds with the total number of cooperation contracts signed during this period reaching 2,500, averaging 27 contracts daily, involving a total of almost \$2.5 billion in foreign capital.

Commenting on reports claiming that the "southern Jiangsu" mold adopted by Jiangsu's township and town enterprises is undergoing changes at the moment, Chen Huanyou admitted: The "southern Jiangsu" mold is no longer commensurate with the economic development that is going on. At the moment, Jiangsu's township and town enterprises are bracing up to attain a "three plus one" goal, namely: "Large scale, higher standard, and higher grade plus higher economic efficiency." On the other hand, a large number of township and town enterprises across Jiangsu have become either Sino-foreign joint venture or cooperative enterprises. The amount of foreign capital utilized by Jiangsu's township and town enterprises accounts for one-third of the total amount of foreign capital being used by the whole province at the moment.

In speaking of narrowing the economic disparity between southern and northern Jiangsu, Chen Huanyou maintained: At present, efforts should first and foremost be focused on building communications, energy, and other infrastructural facilities in northern Jiangsu. At the same time, it is necessary to step up, with redoubled efforts, the economic development of four major northern Jiangsu cities, namely, Xuzhou, Lianyungang, Huaiying, and Yancheng. Moreover, it is imperative to enforce existing economic links between southern and northern Jiangsu so that southern Jiangsu can nurture northern Jiangsu in terms of economic development.

Chen Huanyou stated emphatically: Jiangsu Province has benefited much from Shanghai's Pudong development and will continue to make active efforts to receive the emanation from Pudong.

Trade Fair To Offer More Than 1,000 Cooperative Projects

Chen Huanyou noted: The "1993 Jiangsu Foreign Economic Cooperation Fair" scheduled to be held in Hong Kong from 10 to 16 May will definitely provide Jiangsu Province with a good chance to attract foreign investment. At the forthcoming fair, Jiangsu Province will offer more than 1,000 cooperative projects, of which 78 are investment projects involving more than \$10 million each and totaling over \$13 billion in all. Of the projects to be offered, a large number are large and medium capital construction projects calling for foreign investment, such as: Qidong's Lusi Power Plant and Nanjing Power Plant, each involving a total of \$2 billion in investment; the Shanghai-Nanjing Expressway involving a total of \$820 million in investment; the Ligang Power Plant Phase Three Project involving a total of \$950 million in investment; the Yangzhou No. 3 Power Plant involving a total of \$1.9 billion in investment; and some other big projects, including Jiangying's Changjiang Highway Bridge, Nanjing's new airport, and so on. At the forthcoming fair, Jiangsu will do what it can to try to sign a large number of contracts involving a total of \$10 billion in foreign investment.

'Roundup' Examines Jiangsu's Market Development

OW1905140093 Beijing XINHUA in English
1335 GMT 19 May 93

["Roundup": "Jiangsu Developing Macro-Market"]

[Text] Nanjing, May 19 (XINHUA)—The Yangtze area of East China's Jiangsu Province depends on the market for 95 percent of its funds and resources, according to the provincial government.

The gross national product (GNP) of the area, covering Suzhou, Wuxi, Changzhou, Nanjing, Zhenjiang, Yangzhou and Nantong cities, reported an increase of more than 30 percent last year and was on the top of the list in China.

Experts attributed the achievement to the highly developed markets in the region.

At present there are more than 2,900 trade markets in the province, most of which are along the Yangtze River. They deal in grains, construction materials, petrochemicals, petroleum, agricultural by-products and production materials, technologies, talents and funds.

In 1992, the provincial government directly sponsored, invested in and constructed more than 600 large-scale markets.

Suzhou, the Yangtze area's fastest developing tourist city, now has 21 trade markets each of which can handle more than 100 million yuan of business volume every year. Some of them can handle 1.5 billion yuan a year. At the same time, the industrial production value of the city

has ranked fourth among the cities of China for seven consecutive years and is expected to score 100 billion yuan this year.

The areas along the Yangtze River, the largest river in China, compose one of China's key economic zones for the 1990s. The GNP of the area is expected to top 301 billion yuan by the end of this century, about 7,400 yuan per capita. To realize the goal, at least 500 billion yuan must be accumulated in the construction fund, and it would be impossible without the markets, economists said.

So far, the province has established 12 membership financial market networks. Nanjing, the capital city of the province, raised 40 billion yuan through markets in recent years.

The province will establish another five markets this year, each of which will be able to handle more than a billion yuan of business volume. It will also establish intellectual property, funds and technology markets.

So far a part of the markets have or are approaching the level of international markets. Nanjing petroleum futures trading center, the first to observe standard contracts and adopt membership system and central clearing system in China, has become a part of the international petroleum market. Its annual volume of business is estimated at dozens of billions of yuan. The recently established Nanjing branch of the China International Futures Company Ltd has started to act as agent for the United States, Britain, Japan, Singapore and Hong Kong.

So far major markets of the province have covered all the important fields of the national economy such as petroleum, wood, coal, machinery, textiles, automobiles, metallurgy, petrochemicals, grains, funds, technologies, talents and information.

Economists predicted the markets will give a bigger boost to the economic development of the province as well as the whole Yangtze area.

Jiangsu's Rural Industry 'Growing by Leaps'

OW1905023393 Beijing XINHUA in English
0149 GMT 19 May 93

[Text] Nanjing, May 19 (XINHUA)—More than 100,000 rural industrial enterprises in east China's Jiangsu Province are growing by leaps and bounds.

According to statistics, the sales income of these rural enterprises last year reached 200 billion yuan, an increase of 79.4 percent over the previous year, and their profits went up by 140 percent.

Located in the Yangtze River delta, Jiangsu has a better rural industry than any other province or region.

At present, rural industrial enterprises in the province employ 7.2 million people, accounting for 80 percent of the province's total number of workers. They generated

an output value totalling 310 billion yuan last year, accounting for 60 percent of the province's total.

Coming into existence in the late 1970s, Jiangsu's rural enterprises, with small size and flexible mechanism, have been active on the domestic market. They began to demonstrate high-speed and quality economic growth in 1990.

At present, rural industries in Jiangsu have formed 24 enterprise groups with combined fixed assets exceeding 30 million yuan, and are establishing a number of trans-regional enterprises which cover different trades and types of ownership.

An official in charge of rural industry said that southern Jiangsu now has nine counties or cities, each of which surpasses 10 billion yuan in gross rural industrial output, and more than 200 enterprises, each generating an output value of over 100 million yuan.

According to statistics, about 10,000 rural industrial enterprises now produce goods for export, the value of which accounts for one third of the province's total.

More than 6,000 rural enterprises are cooperating with overseas business people in running joint ventures, accounting for 60 percent of the province's total, and the number of rural enterprises undertaking business overseas is increasing.

In Suzhou, one of the economically-developed cities in Jiangsu Province, 70 rural industrial enterprises have opened businesses overseas.

The official noted that more than 10,000 rural enterprises have established cooperative relations with higher-learning and research institutions.

Wuxi County, whose industrial output value ranks first among all counties in the country, reported an investment totalling two billion yuan in technical transformation of its enterprises. As a result, 75 percent of the rural industrial enterprises in the county have begun using advanced foreign and domestic equipment.

In addition, the county has set up 97 research institutions, forming the largest rural research center in the country.

According to plans, by the end of this century the technology and equipment of key rural industrial enterprises will reach the 1980s' advanced international standard.

Jiangsu, also a major agricultural producer, is popularizing economic share-holding across its rural areas.

According to statistics, share-holding cooperative businesses in the rural areas of the province number about 20,000 at present.

Economists here concluded that the improved mechanism of rural industrial enterprises and their rapid economic boom will lead the social development in rural areas.

A survey report shows that most of the villages are being modernized and their construction funds are provided by rural enterprises.

Jiangsu To Build Large Modern Power Plants

OW1905115193 Beijing XINHUA in English 1116 GMT 19 May 93

[Text] Nanjing, May 19 (XINHUA)—Jiangsu, China's most economically developed province, plans to build large thermal power plants and support facilities to meet the needs of its rapid economic growth.

According to the provincial authorities, while preparing to build a nuclear power plant and continuously transferring power from outside to the province, Jiangsu has decided to raise the capital to build large modern power facilities with a capacity of 13.75 million kilowatts by the end of the century.

A provincial official in charge of the power projects acknowledged that the province is short of funds for building power projects.

To tackle the problem, it will use foreign funds, develop shareholding power companies and raise capital from other sources. The official disclosed that a number of large companies and consortiums are interested in constructing Jiangsu's power projects.

They include an American company which is cooperating with the Jiangsu Provincial Power Supply Bureau in building a power plant with a capacity of 2.4 million kilowatts in the Yangtze River valley.

Another American company will cooperate with the Nanjing Municipal Government to build a power plant to produce 2.5 million kilowatts.

Governor Gives Shandong Government Work Report

SK1805004293 Jinan DAZHONG RIBAO in Chinese 29 Apr 93 pp 1-3

[Government work report delivered by Governor Zhao Zhihao at the first session of the eighth provincial people's congress on 16 April 1993: "Emancipate the Mind, Forge Ahead in Unity, and Strive for New Victory in Reform, Opening up, and Modernization"]

[Text] Fellow deputies:

On behalf of the provincial government, I am delivering the government work report to the current session for examination and discussion and I ask members of the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] and other nonvoting comrades attending the session to offer their opinions.

1. Review of the Work in the Past Five Years

The past five years were extraordinary. Under the correct leadership of the CPC Central Committee, the State Council, and the provincial party committee; based on the work of the previous government; and guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, the current government rallied and led the people of all nationalities in the province to implement profoundly the party's basic line, to consistently regard economic construction as the central task, to uphold the four cardinal principles, to persist in reform and opening up, to conscientiously execute various resolutions adopted by the provincial people's congress and its standing committee, and to overcome difficulties and do pioneering work with one heart and one mind. As a result, the province successfully fulfilled the tasks defined by the seventh provincial people's congress and made tremendous achievements in building the socialist material and spiritual civilizations.

Development of the national economy was sustained and steady, and the comprehensive economic strength was markedly enhanced. The province successfully fulfilled the tasks for the Seventh Five-Year Plan and for the first two years of the Eighth Five-Year Plan. Major economic targets increased substantially. In 1992 the province's gross domestic product was 198 billion yuan, up 68.7 percent over 1987 if calculated in terms of comparable prices, or showing an average increase of 11 percent per year; and the per capita gross national product [GNP] was 2,305 yuan, up 54.5 percent over 1987. The rural economy developed steadily; the output of grain, cotton, and edible oil increased in the first four years; forestry, animal husbandry, and fishery production as well as township and town enterprises increased in a sustained manner; and agriculture's position as the foundation of the economy was strengthened. The total agricultural output value was 84 billion yuan, registering an average yearly increase of 5 percent. Industrial production maintained its relatively rapid growth rate, its structure improved somewhat, and its efficiency improved gradually. The total industrial output value was 354.34 billion yuan, showing an average yearly increase of 22.8 percent. The development speed of the tertiary industry began to be accelerated, and the level of the tertiary industry was enhanced. The added value of the tertiary industry was 44.8 billion yuan, up 59.9 percent over 1987, and its proportion in the gross domestic product rose to 22.6 percent.

The momentum for economic development was enhanced, and the overall quality again improved.

In the past five years the total investment made in fixed assets was 203.5 billion yuan, up 120 percent over the previous five years. Key projects were built rapidly and with good quality. In the past five years 53 key projects were completed or put into production individually. A number of production resources was newly added, including the 19.91 million tons of crude oil, 11.57 million tons of raw coal, 4.01 million kilowatts of

electricity, 30,500 tons of chemical fiber, 300,000 tons of ethylene, and 762,000 tons of soda ash. At the same time, the province completed construction of the first batch of backbone water conservancy projects for diverting Huang He water to Qingdao. The weak situation in traffic and communications service changed markedly. The province added 5,604 km of new highway traffic mileage and 116.3 km of railway traffic mileage, and increased the goods handling capacity of ports by 30.28 million tons. Major communications capacities doubled and redoubled. Program-controlled telephone service opened in all cities and prefectures and in one-third of counties (cities). The Jinan-Qingdao highway, the first of its kind in the province, will be completed and open to traffic at the end of 1993. A breakthrough was made in air transportation service. The construction of Jinan Airport was completed, six airports were expanded and rebuilt, 49 air routes were opened, and Jinan and Qingdao airports were built into international airports. Relative headway was made in the technological transformation of enterprises. In the past five years, 29.6 billion yuan of funds were invested in technological transformation projects, 9,272 technological transformation projects were completed, and 60 percent of industrial enterprises were renovated to varying degrees.

The reform of economic systems was steadily deepened and the province began to gear its operation mechanism to the track of the market economy. Enterprises made a larger breakthrough in shifting their business operations. More than 80 percent of enterprises throughout the province made marked achievements in conducting reform in the systems of personnel and labor affairs and distribution based on implementing the second-round management responsibility system. The state-run cooperatives and commercial enterprises enforced in an overall way the "open policy" in the fields of management, prices, distributions, and personnel employment. The rural household responsibility system related to their output and the system of combination between centralized and decentralized management were further consolidated or improved. The systems of socialized services achieved steady development and were continuously improved. The new business styles of integration among trade, industry, and agriculture as well as among agriculture, industry, and businesses gradually took shape. The number of organizations of various kinds and at all levels in charge of socialized services reached 55. The shareholding systems were gradually enforced. The number of shareholding enterprises at or above the county level reached 492 and that of enterprises of both shareholding and cooperative systems reached more than 30,000. Individually owned, privately owned, and foreign-funded enterprises achieved great development along with consolidating the publicly owned economy. The markets of means of production, real estate, funds, technology, labor forces, and information further achieved development. The enforcement of social security systems was accelerated. The scope of insurance for the retirement of staff members and workers, for employment, and for rural aged people was enlarged.

The medical and housing systems were enforced in an overall way. The governmental function began to be changed and the reform among organs was gradually carried out. The coordinated reform among planning, finance and taxes, commodity prices, and banking achieved new progress or development.

The pattern of opening up in all directions and at all levels basically took shape, and the development of the export-oriented economy was upgraded. The program of opening up was expanded from coastal regions to everywhere throughout the province, from primary and secondary industries to the tertiary industry, and from the economic field to other fields such as science and technology as well as culture. The province's capabilities in utilizing both domestic and foreign material resources and both domestic and international markets were enhanced. The structure of export commodities was improved, the system of exports conducted at multiple levels gradually took shape, and the foreign exchange earned through exports showed a steady increase. The 1992 total value of exported products reached \$4.7 billion, a 58 percent increase over 1987. Nine cities and prefectures, 60 enterprises, and one provincially run scientific research institute across the province have had the business rights of importing and exporting. The utilization of foreign capital entered a new period of large scale and good benefits. The proportion of introduced projects that are of advanced technologies and can earn foreign exchange through exports and that are of large and medium-sized scales showed an increase. By the end of 1992, the number of foreign-funded enterprises reached 5,844. The volume of foreign investments reached \$5.4 billion and foreign businessmen or firms actually invested \$1.54 billion in this regard. The two economic and technical development zones of Qingdao and Yantai began to bring in an overall way the benefits of these investments into play. The Weihai economic and technical development zone and the Qingdao bonded zone were accelerating their beginning in this regard. The number of enterprises run by the province overseas reached 120. Tourism became an important industry, and the province has earned 1 billion yuan of foreign exchange certificates over the past five years. The construction projects contracted with foreign countries and the projects of labor cooperation also achieved faster development. Contacts with foreign countries became more active. The province established economic and trade relations with more than 160 countries and regions as well as friendly ties with 36 cities of 15 countries. The province also established friendly ties with 114 foreign harbors, hospitals, and schools. The lateral economic associations set up by the province with provinces, municipalities, and autonomous regions across the country achieved steady development. The province has fulfilled the 13,000 economic and technical cooperative projects with them over the past five years.

Markets in both urban and rural areas were prosperous and brisk. The affairs of finance and banking achieved

stable development. The outdated pattern of single structure of commodity circulation and of distributing commodities in line with administrative levels was smashed. The commodity circulation pattern with multiple sectors and channels, which was enforced at multiple levels, basically took shape. The scope of commercial infrastructures was expanded, commodity supplies were rich, and commodity prices were relatively stable. The 1992 total retail sales reached 79.7 billion yuan, a 1.1-fold increase over 1987. The financial revenue showed a sustained increase and the structure of expenditures was improved. The 1992 local financial revenue reached 14 billion yuan, a 14 percent increase calculated in term of comparable items over 1987. The province has realized a balance between revenue and expenditure over the past five years. The undertakings of banking and insurance achieved faster development. The channels and scope of facilitating the flow of funds showed a steady increase. By the end of 1992, the province volume of loans showed a 1.6-fold increase over 1987 and that of saving deposits showed a 2.1-fold increase over 1987. The income from insurance business showed a 4.9-fold increase over 1987.

Economic arrangements were adjusted and improved, and a number of strong counties and townships began to show their ability. After many years of efforts, the framework defined in the Seventh and Eighth Five-Year Plans gradually took shape. Under this framework, the province was to be divided into east and west parts; three belts stretching from Qingdao to Jinan, from Xintai to Shijiu port, and from Dezhou to Yantai would be built where industries would be concentrated; and a general pattern for the regional economy consisting of the central Shandong, the Jiaodong, the southeast Shandong, the southwest Shandong, the northwest Shandong, and the north Shandong economic zones would be established. The industrial composition and product mix of the east part of the province were continuously adjusted and optimized, and its economic quality was upgraded to a new level. In the western part of the province, infrastructural facilities were greatly strengthened, and the development of the secondary and tertiary industries was accelerated. The level of urbanization was raised, the number of administrative cities of the province increased from 25 in 1987 to 40, and the multipurpose functions of cities were continuously improved. The county-level overall strength was enhanced, with 23 counties (cities) ranking among the country's "best 100 counties" in rural overall strength and with the number of the counties (cities, districts) whose revenues exceeded 100 million yuan each increasing from two in 1987 to 29. A number of towns and townships was able to make their industrial and agricultural output value surpass 1 billion yuan, and some villages were able to make it surpass 100 million yuan.

The mechanism for "developing Shandong with science and education" gradually took shape, and all social undertakings witnessed a comprehensive development. Reform of the scientific and technological system and the educational system was deepened continuously, and

a new situation was being created in which forces from all quarters of society were promoting education, promoting science and technology, and facilitating developing. Scientific and technological joint research, scientific and technological development, and transformation of scientific and technological achievements made new headway. In the five years, we made 11,000 significant scientific and technological achievements, of which 7,220 reached the advanced levels of the world or the country. High and new technology industrial development took its initial shape, and the construction of the five state-level and four provincial-level development zones was expedited. Schools of various categories and at various levels developed fairly rapidly, and education quality was improved. Students of regular schools of higher learning totaled 129,700, up 35.2 percent from 1987. The proportion of the students of all types of secondary vocational schools in all the students of the schools equivalent to senior middle schools rose from 40.6 percent to 54.4 percent. Renovation of primary and middle school houses was by and large completed, and 44 percent of the towns and townships in the province practiced nine-year compulsory education. Substantial progress was made in adult education and the training of workers. Individuals and nongovernmental organizations began to establish schools. We achieved notable results in bringing in trained personnel. In the five years, 59,000 domestic and foreign personnel were brought in from outside the province. Cultural undertakings were made flourish, and a number of outstanding literary and art works emerged. The patriotic public health campaign was launched extensively, and four cities won the title of clean city given by the state. Mass sports activities were made more universal. Radio, television, the press, and publications played an increasingly greater role in serving economic construction and enriching people's cultural life. Social welfare; the work directed to Taiwan, Overseas Chinese affairs, nationalities work; the work for elderly people; the compilation of history; and archives work all made new headway.

Notable achievements were won in family planning, and land management and environmental protection yielded certain results. The inordinately large population increase in the province was curtailed, and the rates of planned childbirth, late marriage, and late childbirth were substantially raised. The natural population growth declined continuously for four years, from 16.3 per 1000 in 1987 to 4.55 per 1000 in 1992. Land management was strengthened, and the reform of the land use system was promoted steadily. The province's net decrease of cultivated land was kept within 3 per 1000, and some counties (cities) managed to maintain a balance between the increase and decrease of cultivated land and even achieve some increase. New achievements were made in the overall improvement of urban environment, river pollution control, and the protection of rural ecological environment and nature. Pollution control facilities were put into operation together with 97.5 percent of the large and medium-sized projects and 79.9 percent of the small projects that were commissioned in the five years.

New progress was achieved in improving democracy and the legal system, and the social order by and large remained stable. We persisted in managing the province according to law, carried out the "second five-year plan" law dissemination activity and the "administration according to law" activity, and began to standardize and institutionalize social administration. In the five years, we submitted 37 local laws to the provincial people's congress and its standing committee and formulated 159 administrative regulations. We established and improved the government legal organizations and achieved substantial progress in administration according to law. We strictly dealt blows to criminal and serious economic offenses, waged special struggles to "wipe out pornography," "eliminate six vices," and crack down on the abduction and trafficking of women and children, and strengthened measures to maintain safety, thus effectively safeguarding the social order. In 1992, Shandong was registered as one of the provinces with low incidence of criminal cases in the country.

Living standards of urban and rural people showed further improvement, and a profound change took place in people's mental outlook. In 1992, urban people's per-capita cost of living income was 1,836 yuan, and peasants' per-capita net income was 803 yuan, an increase of 927 yuan and 285 yuan, respectively, over 1987. Urban and rural people's savings totaled 88.42 billion yuan. Living conditions were further improved, with the per-capita living space of urban people reaching 10.7 square meters and that of rural people 19.3 square meters, up 1.2 square meters and 2.8 square meters, respectively, over 1987. Job arrangements were made for 1.38 million urban youths in the five years. Most people had sufficient food and clothing, and some began to march toward a fairly comfortable life. While experiencing improvement in their material life, people effected a change in their mental outlook; greatly enhanced their sense of market, sense of competition, and sense of efficiency; and further displayed the spirit to stress unity and sacrifice, to take the overall situation in consideration, to fear no difficulty, to be unwilling to lag behind, and to strive for first-rate work.

The year 1992 was one for large-scale reform, large-scale opening up, and large-scale development. Based on the guidelines of Comrade Deng Xiaoping's important speeches and the 14th national party congress, the provincial party committee and government made new arrangements for the series of important strategic issues that had a bearing on the overall situation, people throughout the province emancipated their minds further, and the endeavors of reform, opening up, and economic development were notably expedited. Although serious natural disasters hit agriculture and caused a decline in the production of grain, cotton, and oil-bearing crops, forestry, animal husbandry, fisheries, and township enterprises grew substantially. Industry grew more rapidly. The industrial output value of the enterprises at and above the township level rose by 23.2 percent from the previous year, their sales value rose by

24.1 percent, and the profits and taxes they created rose by 26.5 percent. The proportion of the tertiary industry in GNP rose by 2 percentage points from the previous year. Exports grew by 22.8 percent over the previous year, and the number of the newly approved foreign-invested projects was more than two times greater than the total of the previous 13 years. Revenues increased by 10.3 percent. All the aforementioned show that Shandong's reform, opening up, and economic construction begun to enter a new stage of accelerated development.

Deputies, in the past five years, we withstood the severe tests presented by the turmoil emerging in late spring and early summer of 1989 and the rapidly changing international situation, conquered serious natural disasters and numerous difficulties, and maintained political and social stability and economic development. These five years were a period in which we emancipated the mind continuously and won a significant victory in reform and opening up; a period in which all undertakings developed vigorously, and the progress of the modernization program was expedited continuously; and a period in which the people of various nationalities throughout the province advanced with big strides along the road of building socialism with Chinese characteristics!

Deputies, the most basic reason for such great achievements won in the past five years was that we always followed Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, conscientiously implemented the principles and policies of the party and state, fully boosted and gave play to the enthusiasm of the people across the province, did work creatively, and strove to coordinate central instructions with Shandong's reality to take the development road compatible with Shandong's actual conditions. It was a valuable experience we summarized after practice and was the basic way to bring about a sustained development in the province's reform, opening up, and economic construction.

A. We must firmly grasp economic construction as the central task and concentrate our energy on developing the social productive forces. The fundamental task of socialism is to liberate and develop productive forces. In the past five years, all levels in the province put economic development above everything else and pooled efforts to grasp economic construction with one goal and one mind. At the critical moment of economic development, we paid attention to eliminating interference and stabilizing policies and public sentiment. During the turbulence that took place at the turn of spring and summer in 1989, we made great efforts to check turbulence with one hand and grasp economic work with the other hand. After the turbulence was checked, we definitely announced the policy of five no changes and one no withdrawal, thus clearing the people's mind of misgivings. While dealing blows to economic irregularities, we paid attention to clarifying policy boundaries to protect reformers. During the period of economic rectification, we stressed not only rectification but also

encouragement and not only stability but also development, instead of hastily putting on the brakes. Practice shows that upholding the central task of economic construction without any deviation and paying attention to maintaining the continuity and stability of policies are the key to promoting the sustained economic development.

B. We must firmly and unswervingly deepen reform and expand opening up and continuously strengthen the motivation and vitality of economic development. The dynamics of reform and opening up decides the speed of economic development. We should guide all levels, all fields, and the vast numbers of cadres and the masses to emancipate the mind, positively make explorations, focus on invigorating enterprises, large and medium-sized state-owned enterprises in particular, and continuously deepen all reform items. Particularly since the beginning of last year, proceeding from the demand for building the socialist market economic system, we have formulated the reform ideas of combining the change of enterprises' mechanism with the change of the government functions, accelerating the building of the market system and social guarantee system, and pushing enterprises to markets. The province took the lead in the whole country in setting forth methods to implement the "regulations on changing enterprises' operational mechanism," and accelerated the pace of streamlining administrative procedures and delegating powers to lower levels. We were determined to rationalize the economic and trade management system, combined the economy with foreign trade, and made the strategic arrangements for changing from a domestically oriented economy to an export-oriented economy, thus making the province the "hot spot" for foreign investors.

C. We must respect the pioneering spirit of the masses and explore the development road conforming to Shandong's realities. We paid attention to mobilizing the initiative of all levels and all fields, encouraged the grass-roots areas and the masses to make bold explorations in practice, summarized and popularized a number of exemplary experiences with their own characteristics, and enriched and deepened the people's understanding of the province's situation. We formulated the principle of "invigorating Shandong through science and education," the strategy of "combining the east with the west," and the idea of building "Shandong on the sea." We carried out the measure of "opening up both domestic and foreign markets, and making breakthroughs in developing enterprise groups and strong counties." We took the road of developing an agriculture with high output, fine quality, low consumption, and high efficiency. We followed the path of developing industry by expanding production through upgrading technology and improving management, by launching new projects, and by uniting growth rate with efficiency. We followed the road of "depending on the people to run education and running education well for the people." We also took the road of accelerating the building of poverty-stricken areas through the comprehensive measure of "strengthening leading bodies, learning more ways, and setting up

more examples." All these valuable methods which embody the wisdom of the people throughout the province will play an important role in accelerating development for a long time.

D. We must strengthen unity and truly attend to the work. We always demanded cadres at all levels and in all fields to attach importance to the interests of the party and the people as well as the great cause of reform and opening up and to stress unity and the overall situation while thinking of questions and handling affairs. Under the leadership of the provincial party committee, the unity between the party and the government, between new and old cadres, between higher and lower levels, between different departments, between the Army and the government, and between the Army and the people was ever strengthened day by day, thus giving rise to a gratifying situation where the whole province attended to undertakings with one heart and one mind. Practice has shown that unity can bring about wisdom, cohesion, and new productive forces and that unity represents an important guarantee for winning a victory. We have stressed that efforts should be made to integrate the principle of emancipating minds with that of seeking truth from facts, that efforts should be made to foster the view of unifying intention with effects, and that efforts should be made to seek economic results from all economic activities and to seek social effects from all social activities. We have demanded that the more excellent situation we face, the more efforts should be made to keep a sober head, to be modest and prudent, to guard against arrogance and rashness, and to strictly avoid bureaucracy and formalism. As for some important and major policy decisions and some issues related to the immediate interests of the mass, we have organized the specialized forces to vigorously implement them, and the results made in the implementation have been good.

E. Efforts must be made to correctly deal with the relationship between the construction of material civilization and of the spiritual one and to succeed in carrying out the construction of the two civilizations simultaneously and making achievements in both fields. While accelerating the economic development, we have attached great importance to building the socialist spiritual civilization. We have enhanced the socialist ideological education throughout the province on the party's basic line, patriotism, and collectivism. Thus, the belief of the broad masses of cadres and people in socialism has been enhanced. The province has paid attention to socialist democracy and the construction of legal systems and vigorously promoted the practice of running the province in line with the law. It has attached great importance to administrative honesty, industriously official work, and the self-improvement of governments. It has also promoted the changes of work style by establishing or improving the regulations and systems, enhancing the sense of services, paying attention to dealing with the hotly debated and difficult problems reported by the mass, and strictly dealing with persons and things that have violated the law and discipline. The

province has upheld that tasks for grasping the construction of the two civilizations simultaneously and making achievements in both fields represent an important guarantee for it to achieve healthy development in various undertakings.

Fellow deputies, it is not easy for us to have made such achievements over the past five years. This is the outcome made by workers, peasants, intellectuals, and various social strata across the province in waging the common struggle. Thus, I on behalf of the provincial people's government express lofty respect and hearty thanks for the labor work industriously done by the people throughout the province; for the supervision and support given by the provincial people's congress and its standing committee, by the provincial CPPCC Committee, by the democratic parties, and by the social communities; for the selfless support given by the People's Liberation Army [PLA] units and the armed police forces stationed in the province; and for the hearty cooperation given by compatriots of Taiwan, Hong Kong, and Macao as well as by Overseas Chinese and foreign friends.

Fellow deputies, we still have many difficulties and problems in development as well as many shortcomings and deficiencies in our work, though we have made great achievements over the past five years. The agricultural infrastructure is relatively weak, and the province's capability of combating disasters is not strong. In particular, the shortage of fresh water resources has become the prominent factor restricting the development of agriculture and even the development of the economy as a whole. The comparative benefit of agriculture is on the low side. In addition to that, the practice of raising funds arbitrarily, apportioning expenses arbitrarily, imposing fines arbitrarily, and fulfilling the collection targets arbitrarily have caused the overly heavy burdens of peasants and slowed the increase of peasants' incomes. The progress of readjusting the economic structure is not fast enough and economic results are not high. The achievement made by the leading industries that are bringing along economic growth is not prominent. The grade, variety, and quality of products cannot meet the needs of markets, and their competitive capability is not strong. The proportion of products that have entered international markets and markets in outside provinces is low. The mechanism of developing tertiary industry is not lively and the level of market development is low. The "bottleneck" phenomenon of communications and telecommunications has not been fundamentally changed. Science, technology, and education cannot meet the demands of economic and social development. Some comrades have not earnestly kept in their minds the principles of depending on scientific and technological progress and upgrading the quality of laborers. The increased scale of investments made in science, technology, and education is relatively small. The level of scientific and technological development and the rate of turning scientific and technological results into productive forces are not high. The problem of poor effects

resulting from school operations is also waiting to be handled. There are still unstable factors in public security. Some localities are seeing a rising trend of serious crime cases. Smuggling and trafficking of smuggled goods are increasing somewhat. The evil phenomena of gambling, prostitution, and visiting prostitutes cannot be blocked through repeated blows. The practice of hosting banquets and presenting gifts by using public funds and of indulging in extravagance and waste cannot be stopped through repeated prohibitions. The corrupt phenomena of embezzling public funds, accepting bribes, and seeking personal gain by taking advantage of power, which have been committed by a few personnel, still exist. Shandong's general economic situation has been very good since last year, but some trends have also emerged to which we must pay attention. For example, the structure of fixed asset investment was not very reasonable; the shortages of funds, energy resources, and some raw materials became aggravated; and some localities were overheating in terms of building development zones and developing the real estate business and used cultivated land for other purposes arbitrarily in excess of the quotas. These problems should be attributed to both subjective and objective reasons. Judging from our government work, the major problems were our lack of in-depth studies of some new situations and new issues, an insufficient understanding of the uneven economic development and a lack of corresponding guidance, a failure in implementing some work in a down-to-earth manner, and bureaucracy and formalism in some aspects. We should pay great attention to these problems and make earnest efforts to solve them to achieve new progress continuously in building the two civilizations in the province.

2. Major Tasks of Economic and Social Development for the Next Five Years

The upcoming period will be important for fulfilling the second-step strategic objective of socialist modernization in an all-around manner and for laying a good foundation for attaining the third-step strategic objective. The basic tasks of Shandong's economic and social development are to implement comprehensively the guidelines of the 14th national party congress and the First Session of the Eighth National People's Congress and, with the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, to adhere to the party's basic line, to deepen reform continuously, to open wider to the outside world, to seize the opportunity to accelerate development, to push the economy to a new stage every few years, to comprehensively promote all social undertakings, and to improve the material and cultural life of the people.

In line with the grand strategic goals defined at the 14th national party congress, the provincial party committee and government have conscientiously studied the prospects and strategy of the province's development, noting that Shandong both enjoys good conditions and opportunities for development and faces a severe challenge presented by the increasingly intense international and

domestic competition, and that it should enhance the sense of urgency and crisis and further accelerate development. For this reason, they properly adjusted the original growth rates and targets and put forward the strategic goal of catching up with the medium developed countries in Asia in the total demand and total supply by the year 2010. To attain this goal, Shandong's future economic growth should be higher than in the previous 10 years and higher than the national average. Its gross domestic product should grow by 10-12 percent a year, agricultural output value by 4-5 percent, industrial output value by 15 percent or higher, and the increased value of the tertiary industry by 16 percent; and the proportion of scientific and technological advance in economic growth should be higher than 50 percent. Three steps should be taken to attain the aforementioned targets. The first step is to redouble the gross domestic product by 1994, six years ahead of schedule. The second step is to strive to double the figure again by 2000. The third step is to catch up with the medium developed countries in Asia in total demand and total supply by the year 2010.

Accomplishing the aforementioned targets will bring about a tremendous change in Shandong's social outlook. The system of the socialist market economy will be by and large established, and economic and social development will be full of vitality; the economic structure will become more reasonable; the superiority of new leading industries will become more prominent; and the proportion of the primary, secondary, and tertiary industries will become more balanced; the entire economy will be channeled to an orbit that is both domestically oriented and export-oriented, with the focus on the latter, and will be linked to the international economy; the gap between our science and technology and the advanced world level will be greatly narrowed; high and new technology industries will be expanded to a fairly large scale, and science and technology will become the major factors promoting economic development; and our economic strength will be substantially enhanced, social undertakings will be developed vigorously, the modernization level will be greatly raised, and people will lead an affluent life. This is a grand and encouraging blueprint for development. According to the guidelines of the 14th party congress and the resolutions of the provincial party committee, the provincial government set forth the "Proposal for Readjusting Some Major Targets Covered in the Eighth Five-Year Plan," and the proposal has been printed and distributed to the deputies for examination and discussions. We suggest that the session approve the proposal on readjusting the Eighth Five-Year Plan and also call on the people of the province to emancipate the mind, to seek truth from facts, to keep forging ahead in a unified manner, to do solid work, and to strive for basically realizing the modernization goal in the next 20 years.

Fellow deputies: The next five years when the next government assumes the office is a key period to realize the aforementioned strategic goal. We should take ceaselessly deepening reform and expanding the scale of

opening up as motivation, speed up the establishment of the socialist market economic system, strive to readjust and optimize the economic structure, comprehensively promote technological progress, improve management, stress quality, pay attention to efficiency, and maintain the faster and better economic development. We should focus our efforts on grasping the fulfillment of the "3321" project; that is, we should vigorously strengthen such three foundations as agriculture, basic industries, and infrastructural facilities; concentrate energy on winning three such battles as opening to the outside world, developing tertiary industry, and science and technology and education; speed up the implementation of two projects spanning this century and the next, such as "developing Shandong on the sea" and developing the Huang He delta; and cultivating a group of dominant industries and products with competitiveness. If arranged according to the development speed as defined in the 20-year fighting goal, by 1997, the province's gross domestic product should reach 350 billion yuan, an increase of 77 percent over 1992; the total agricultural output value should reach 107 billion yuan, an increase of 27 percent; the total industrial output value should reach 710 billion yuan, an increase of 100 percent; and the added value of the tertiary industry should reach 94 billion yuan, an increase of 110 percent; the foreign exchange earnings from exports should reach \$10 billion, an increase of 113 percent; the proportion of scientific and technological progress in the economic growth rate should surpass 45 percent; and the population natural growth rate should be controlled within 9 per 1000. Through the efforts in the next five years, the province should elevate the overall national economic strength to a new level, and the people of the province will basically become fairly affluent.

A. We should strengthen the degree of reform and speed up the pace of reform in line with the establishment of the socialist market economic system.

To speed up development, we should grasp favorable opportunities to speed up reform. In the next five years, we should base ourselves on promoting the economic development; work in line with the central link of changing the enterprise managerial mechanism; speed up the change of government functions; reform, in a coordinate manner, the property rights system, the distribution system, the social insurance system, and the macroeconomic regulation and control system; and preliminarily establish a basic frame of socialist market economic system.

We should speed up the pace of enterprise reform. We should comprehensively implement the "Enterprise Law" and "Regulations" and the provincial methods for implementing the "Enterprise Law" and the "Regulations." We should delegate decision-making rights to enterprises; reform enterprises' internal personnel affairs and labor and distribution systems; ensure that enterprises will be operating as soon as possible according to the new operational mechanism and actually become legal entities that are independent and responsible for

their own profits and losses and capable of transforming and developing themselves as well as the main body of market competition. We should improve and perfect the system of enterprises taking responsibility for contracted management. On the basis of balancing the property rights, we should vigorously develop the shareholding system. We should carry out the shareholding system among state-owned and collective enterprises and enterprise groups, generally carry out the shareholding system among newly built and expanded enterprises, and comprehensively carry out the shareholding cooperative system among town and township enterprises. In the methods of amalgamation, cooperation, leasing, and bankruptcy, we should reasonably promote the distribution of production factors and the optimum organization of the industrial structure and guarantee and increase the value of state-owned fixed assets. We should carry out the encouragement policies to promote and support the development of the private and individual sectors of the economy and the foreign-funded enterprises and bring into full play their positive functions for promoting the development of the socialist market economy.

We should further deepen the rural economic structural reform and accelerate the process of changing the product-oriented agriculture into market-oriented agriculture. While persisting in and improving the responsibility system with household-based output-related contracts as the major form and the dual management system that combines unified operation with independent operation, we should guide peasants to break the shackles of the traditional agriculture, actively participate in market competition, and have the courage to develop business. We should develop and perfect the various forms of the socialized service system and provide service to peasants in their entire process of production and marketing. We should greatly develop rural markets of various categories to expand the channels for the circulation of farm products. We should actively promote the reform of the grain and cotton purchasing and marketing systems. In cotton production, we should continue the system under which supply and marketing departments and the enterprises authorized to engage in cotton business sign purchasing contracts with cotton growers and the system under which controls on cotton markets and prices are lifted after the contracted purchases are fulfilled. We should establish and improve the measures that support agriculture and the policies that protect agriculture, fix the protection bottom prices for grain and cotton, and fix the ceiling prices for important means of agricultural production to gradually resolve the low comparable interests of agriculture.

We should actively facilitate the reform of the circulation system and establish and improve a complete and open market system. While building the markets for various commodities, we should greatly cultivate the markets for money, technology, labor service, information, property rights, and other major elements of production; actively develop futures markets and wholesale markets; establish provincial-level large markets for

means of production, cotton, and grain as soon as possible; and create favorable conditions to establish security exchange markets. Focusing on market construction, we should develop accounting, law, and auditing affairs offices, brokers' agencies, and other intermediary organizations. We should establish and improve market rules and regulations; eliminate separation, blockades, and monopolies; protect fair competition; and standardize market behavior. We should accelerate price reform, balance the relations between prices, reduce the scope of government-fixed prices, and gradually establish a price mechanism in which the prices formed by the market dominate.

We should accelerate the reform of the social security system. We should establish a unified social insurance fund system whereby funds are shared by the state, the enterprise, and the individual reasonably. We should gradually expand the coverage of the old-age, medical, and unemployment insurance programs. We should rationalize the management and operation of social insurance undertakings and establish a social security system that covers all members of society. We should strengthen the overall regulation of the distribution of income and establish a new distribution system that is both efficient and fair. We should accelerate the reform of the housing system and gradually commercialize urban houses. We should popularize a housing construction system under which investment is shared by the state, the enterprise, and the individual reasonably and achieve success in urban construction.

We should strengthen and improve macroeconomic regulation and control. We should establish the measures for guiding plans that suit the requirements of the market economy, reduce mandatory planning, and strengthen the plans that give forecasts and guidance and the policy plans. We should accelerate the reform of the financial and tax systems, gradually improve the budget management system, strengthen the regulation by the budget, and strengthen the collection and management of taxes. We should actively promote the reform of the monetary system, optimize the use of funds, and enliven the flow of funds. We should strengthen industrial and commercial administration, auditing, statistics, and other economic supervision. We should use economic, legal, and administrative means comprehensively to exercise effective macroeconomic regulation, control, and guidance.

B. We should further strengthen agriculture and develop the rural economy in all sectors.

Agriculture is the foundation of the national economy. The development of agriculture has a bearing on the overall situation of economic development and social stability. Governments at all levels should attach great importance to agriculture, comprehensively implement the various policy measures for developing agriculture, safeguard the interests of peasants, protect their production enthusiasm, and firmly rely on policies, science and

technology, investment, and circulation to push agriculture and the rural economy to a new stage every few years.

We should readjust and optimize the rural production structure and vigorously develop agriculture with high yield, fine quality, and low consumption. By no means will we relax the production of grains, cotton, and oil-bearing seeds. We will uphold the "implementation" in the fields of policies, funds, materials, and technologies. We will stabilize the sowed acreage of grains, upgrade the per-unit yield, and ensure a stable increase in total output. In line with the market demands, we will adequately expand the planting of cash crops; vigorously develop the production of animal husbandry, aquatic products, fruits, and forestry; and upgrade the proportion of "famous trademark, fine-quality, special, and new" products. We will enforce in an overall way the comprehensive and standardized development of agriculture by regarding as an emphasis the five great developments of the Huang-Huai-Hai plain, the Huanghe delta, the shallow water coasts and reaches, poor areas, and household-run enterprises. A good job should be continuously done in having science and education make agriculture prosperous, enhancing the scientific and technological research of agriculture and the forecasting and control of agricultural disasters, developing a perfect network of agricultural scientific and technological popularization, and successfully holding practical technical training classes for peasants. Efforts should be made to actively promote the integrated management among agriculture, industry, and commerce; among trade, industry, and agriculture; and among production, supply, and marketing. We should vigorously open markets at home and abroad and accelerate the biotransformation and processing transformation of farm products. We should also increase the value and benefit at multiple levels and upgrade the levels of farming mechanization, farming specialization, and farming modernization.

We should enhance the construction of agricultural infrastructure by regarding the construction of water conservancy works as a center. Efforts should be made to mobilize all forces across the society to strive to basically relieve the serious water shortage of the province in the coming five years. A good job should be done in taming the Huang He and the canal section between Beijing and Hangzhou; in carrying out development in areas around the four lakes in southern Shandong and around the Dongping lake; and in building the projects of diverting the Huang He's water to the cities of Jinan, Yantai, and Zibo. We should enlarge the province's water preservation capacity by building large and medium-sized reservoirs on the plains along the Huang He and by repairing or building floodgates and embankments along the key river courses. We should continue to exploit the underground water in rationally and to develop dry land farming. We should also uphold the simultaneous construction of projects for combating drought and preventing flood and enhance the operation of bringing river courses under control, harnessing bank areas along

the Huang He, and eliminating the hidden dangers of large and medium-sized reservoirs and consolidating them as well. Both urban and rural areas should adopt effective measures to vigorously reduce their water consumption.

Township enterprises should pay attention to both development and improvement and continue to bring into play their strong point of flexible business mechanisms. They should follow the road of introducing outside technologies and setting up economic and technical associations with domestic units in line with their local conditions as well as the road of taking a starting step with a high standard and making relatively centralized arrangements. They should also improve the scope, quality, grade, and level of their products. Localities whose foundation is weak should proceed from their strong points, take a starting step in engaging in diversified economy and in turning out labor-intensive products, and gradually improve themselves to a higher level. Localities whose foundation is rich should expand their scope, improve their level, upgrade the technical content of their products, and enhance their competitive capability in both international and domestic markets. We should integrate the task of developing township enterprises with that of building up small towns so as to gradually build up small and relatively concentrated industrial zones and to strive to have 10 million more agricultural laborers engage in secondary and tertiary industries by the end of this century.

We should realistically relieve the burdens of peasants. In making overall arrangements for assessment, we must uphold the principle of fixing the volume and names of the people and strictly control the volume of assessment under the 5 percent of 1992 per capita income. We should also actively popularize the effective measure of the card system for imposing burdens on peasants and enhance the management over the funds retained under the overall arrangement. We should also open the accounts of funds to the public so as to ensure the special funds to be used for special purposes. Governments at county and township levels should report their financial revenues and expenses to the people's congress at their same level each year and actively accept its supervision. Units at all levels and various departments should earnestly check various policies and regulations that involve increasing the burdens of peasants. Except for the approval given by the state and the provincial authorities, the enforcement of all other policies and regulations should be stopped. In addition to paying taxes in line with the law and paying the assessment under the unified and overall arrangement made by the state and the provincial authorities, peasants have the right to refuse the apportioning of any expense. The provincial level organs should take the lead in blocking the evil trend of apportioning expenses arbitrarily, raising funds arbitrarily, imposing fines arbitrarily, and fulfilling the collection targets arbitrarily!

C. We should accelerate the pace of conducting industrial readjustment and reform and upgrade the level of industry as a whole.

In developing industry we should regard economic results as a center, upgrade the quality, optimize the structure, improve the management, and broaden the strength of readjustment and renovations. We should establish as soon as possible a large number of leading industries and backbone enterprises whose grade is high, whose scope is large, and whose competitive capability is strong. Efforts should be made to foster a development pattern in which the high and new technologies are taking the lead, industries with strong points are regarded as a main body, and basic industries are playing a pillar role in production.

We should comprehensively carry out the strategy of invigorating industry through science and technology and concentrate our efforts on accelerating technological progress of enterprises. Aiming at the advanced international and domestic levels, we should strive to renovate in three years all large and medium-sized enterprises and basically renovate in five years all enterprises in order to make 30 percent of large and medium-sized enterprises approach or attain the advanced international level in technology and equipment and make 40 percent of them attain the advanced domestic level. We should readjust and optimize investment structure, and make 40 percent of them attain the advanced domestic level. We should readjust and optimize investment structure, resolutely curb the low-level duplicated projects, and concentrate funds on technological transformation projects. By establishing the special technological transformation fund, by increasing the retention of foreign exchange revenues, and by increasing the new product development fund, we should try to effect a relatively big increase in the proportion of technological transformation investment in the total investment in fixed assets.

We should accelerate the cultivation of guiding and competitive products and develop and expand enterprise groups. We should strengthen such pillar industries as the machinery industry, the electronics industry, the chemical industry, the building materials industry, the food industry, the textile and garment industry, and the construction industry. By favoring key projects and by upholding a high standard in the starting point, and through intensive investment and a large-scale import of funds and technology, we should strive to beef up in a short time such leading trades and key products as motor vehicles, motorcycles, engineering machines, ship-building, numerically controlled machine tools, program-controlled telephone exchanges, and minicomputers in order to make them new guiding industries which bring along the economic development of the whole country. On the basis of consolidating and perfecting existing enterprise groups, we should develop a number of large enterprise groups which are strong in relations to component enterprises, are strong in actual strength, and are able to edge into the world market.

We should consolidate and develop such basic industries and the energy resources and raw materials industries. We should steadily develop coal and petroleum production. We should emphasize building key power plants and strive to generate 1 million kilowatts of additional electricity every year. We should give prominence to developing the petrochemical industry, with oil refining and ethylene projects as the predominance. We should energetically develop the salt chemical industry, the coal chemical industry, the agricultural-use chemical industry, the medical chemical industry, the precision chemical industry, and the rubber processing industry. We should accelerate the technological transformation of key metallurgical industrial enterprises. We should concentrate our efforts on building modernized extra-large iron and steel plant in Jining. We should energetically develop new types and high-grade building materials and decoration materials and utilize foreign funds to build modernized large building materials production enterprises.

We should enhance the level of modernized management of enterprises. We should improve management and the operation of enterprises, extensively adopt advanced international and domestic standards to improve the quality of products, and depend on high-quality products to enhance the market pioneering capacity and the market occupation rate. We should pay attention to tapping internal potentials and attend to halting deficits and increasing profits. We should strengthen the building of leading bodies of enterprises and pay attention to training and building a contingent of entrepreneurs that meets the demand of developing the market economy. We should adopt effective measures to actually reduce burdens for enterprises to create a good external environment for developing enterprises.

D. We should give prominence to key points, loosen restrictions on policies, and accelerate the development of the tertiary industry.

Being great in development potentials, the tertiary industry should be put in a priority place so that it can develop faster than the primary and secondary industries and gradually become the major pillar of economic development.

We should strengthen such basic trades as commodity circulation, communications and transportation, and post and telecommunications. We should build a group of modernized circulation facilities that are high in grade and complete in functions. We should emphasize building large commercial network and materials trading centers. We should complete the building of the Shandong section of the Beijing-Jiulong Railway as quickly as possible, and strive to start construction of the Jinan-Handan railway line and the Dezhou-Yantai railway line. We should rebuild and build 104 state roads and trunk highways, build county and township highways well, and enhance the grade of highways. We should perfect and coordinate the facilities of old harbors, emphatically build deep-water berths for coastal open

ports, develop international transportation lines, and increase the handling capacity. We should rapidly rebuild and expand Jinan, Qingdao, and Yantai airports and increase the number of domestic and international air lines. We should make great efforts to gradually establish an open general communications framework consisting of six major arterial lines linking the west with the east, six arterial lines linking the north with the south, a ring road along the coast, and Jinan and Qingdao airports. We should positively adopt modern technology to raise the mechanization and automation level of the postal operation and handling service. We should build large-capacity and digital long-distance transmission network and group exchange network. We should set up program-controlled telephone exchanges in all the cities above the county level and in some townships and towns, should realize telephone automation in rural areas, and should make the telephone more popular in the province.

We should greatly develop monetary, insurance, information consultation, real estate, tourism, recreation, community service, and medical service businesses. We should actively develop banks and the monetary organizations other than banks to gradually establish a monetary service network dominated by state banks and composed of the units of various sectors. We should do a good job in real estate development and improve the efficiency in comprehensive development. We should develop information resources and socialize, commercialize, and industrialize information consultation more rapidly.

We should establish a vigorous mechanism for the development of the tertiary industry. We should further relax policies; invigorate business; pool the efforts of the state, the collective, and the individual; and use both domestic and foreign funds to increase the investment in the tertiary industry through various channels and various measures. Most of the units engaged in the tertiary industry which have served as public welfare or nonbusiness units should be gradually turned into business units and should adopt enterprise management.

E. We should strive to open wider to the outside world and exploit greater space for economic development.

We should firmly seize the historical opportunity brought by the changes in the international situation in the 1990's and China's "reentry into GATT" to accelerate the process of linking ourselves to the international economy. We should continue the strategy of "opening up comprehensively, achieving breakthroughs in key areas, facilitating opening up in an orderly manner, coordinating the development of the eastern and western parts of the province, and accelerating development"; establish a new pattern for overall opening up using Qingdao as the "dragon head" and with Yantai, Weihai, and Rizhao in the forward position as the two wings and extending to the west part of the province in both range

and quality; and channel Shandong's economic development, as soon as possible, to an orbit emphasizing the export-oriented economy.

We should exploit the world market in all directions to enhance our capacity for earning foreign exchange. Our import and export amounts should grow at a rate higher than the national average and higher than the province's economic growth. We should implement more rapidly the strategy of diversifying the market, consolidate the traditional market, and actively exploit new markets. Based on the world market demand and international standard, we should adjust and optimize the structure of the export-oriented industries and products; develop, on a priority basis, garment-making, machinery, electronic, chemical, building material, and light industries, good-quality farm products, and other pillar export-oriented industries; and establish, as soon as possible, the three major foreign exchange-earning industries of agriculture, industry, and science and technology. We should greatly undertake construction projects and labor service cooperation abroad and strive to expand international tourist business to earn more foreign exchange from sources other than trade. We should strengthen the management and use of foreign exchange to raise the efficiency in the use of foreign exchange. We should transform more quickly the operating mechanism of the enterprises engaged in foreign economic relations and trade; develop the coordination between industrial, agricultural, technological, commercial, and foreign trade enterprises; and accelerate the process of industrializing and internationalizing the enterprises and turning them into enterprise groups. We should actively establish enterprises overseas and transnational enterprises. We should strive to win import and export management power for more cities, prefectures, counties, production enterprises, and scientific research institutes; improve the multichannel and multilayered management system for foreign economic relations and trade; and rally the forces of the entire society to develop foreign economic relations and trade and exploit the world market.

We should have the courage to use more foreign funds more effectively. We should further improve the investment climate; attract more international large consortia, large corporations, and transnational companies to develop joint investment and cooperation projects in the province; and make a bigger stride in building large projects with foreign capital, renovating old enterprises with foreign funds and technology, developing township enterprises, and providing an exchange market for technology. We should actively expand the areas where foreign funds are used and achieve major breakthroughs in the use of foreign funds in the energy industry, transportation, raw materials industry, finances, insurance, tourism, and comprehensive agricultural development. We should exert great efforts to put the supporting funds for foreign-funded projects in place, put these projects into operation and make them reach the designed capacity on time, pay attention to their exports,

strengthen the management of foreign-funded enterprises according to law, and conscientiously guarantee their legal rights and interests.

We should apply preferential policies successfully and fully, and accelerate the construction of the various types of development zones approved by the state and the province. We should strive to make the existing economic and technological development zones successful, use foreign funds based on a high level, and enable development zones to play a greater demonstration and influential role. We should achieve success in the construction of the export-oriented industrial processing zones, tourist and economic development zones, and comprehensive experimental zone for opening up and development and see to it that good results are achieved when these zones are built. We should accelerate the construction of the bonded zone and turn it into a free trade zone serving the whole province and geared to the whole world. We should establish multi-layered and multi-purpose tax-exemption system to push Shandong's endeavor of opening to the outside world to a higher level.

F. We should proceed from reality, make use of advantages, and optimize the regional economic arrangement.

In line with different basic conditions, localities should explore different ways for speeding up the economic development. Those with good conditions should try every possible way to speed up the economic development, and those without good conditions should create conditions for speeding up the pace of development. The eastern areas should be geared to the needs of the international markets and concentrate energy on developing the export-oriented economy. The western areas should bring their natural resources into full play; pay attention to both import- and export-oriented sectors of the economy; positively bring in skilled persons, capital, and technology; and speed up the pace of development. The province should continue to carry out the preferential policies on capital, projects, and skilled persons toward the economically undeveloped areas. In the next five years, the province will annually allocate 250 million yuan for use as special economic development funds for the economically undeveloped areas. The agricultural-aid working funds should mainly be used in these areas. The increase in the agricultural loans granted to the economically undeveloped areas should be higher than that in the province's bank loans. We should continue to organize the provincial-level departments concerned and the economically well-developed areas to support the economically undeveloped areas. We should stabilize the support-the-poor policies, strengthen the support-the-poor measures, mobilize the internal vitality, and speed up the pace of opening the poverty-stricken areas to the outside world, developing them, and making them become rich.

We should cultivate the growing points to speed up the development of the regional economy; delegate more

economic management rights to the economically powerful counties and townships; create a more relaxed environment; and make them actually become an example in reform, play a leading role in opening up, and play a key role in developing the economy. The economically undeveloped areas should also cultivate for themselves economically powerful counties and townships to promote a leap in the local economy. We should bring into full play the functions of such key cities as Jinan and Qingdao, enable cities to guide the work of counties, have urban areas guide the work of rural areas, and speed up the development of both urban and rural areas.

We should comprehensively develop the two projects spanning this century and the next, such as building "Shandong on the sea" and developing the Huang He delta. To build "Shandong on the sea," we should take the road of rejuvenating the marine industry with science and technology and adopt new high technology to transform traditional marine industries and develop new marine industries. To develop the Huang He delta, we should develop natural resources; open various channels for increasing input; achieve the construction of such infrastructural facilities as water supply, power supply, roads, ports, and communications projects; and develop modernized agriculture, the salt chemical industry, the petrochemical industry, and the petroleum institute industries. With efforts in the next 10-20 years, we should build Shandong into the country's important agricultural, animal husbandry, and fishery base and petrochemical base.

G. We should speed up the strategy of "rejuvenating Shandong with science and education" and shift the focus of the economic development onto the orbit of relying on scientific and technological progress and improving the quality of laborers.

The key to elevating the national economy to a new level hinges on science and technology. Education is the foundation. We should further strengthen the people's awareness of rejuvenating Shandong with science and education and form a good social practice of vigorously developing science, technology, and education and respecting knowledge and skilled persons.

We should continue to implement the principle of relying on scientific and technological progress to promote the economic construction and making scientific and technological work serve the economic construction; strengthen basic research; make a big breakthrough in studying applied technology, popularizing scientific and technological findings, and industrializing new high technology; and strive to make the province's overall scientific and technological ability attain the national advanced level. In line with the key problems in the economic construction, we should organize forces to tackle the problems in the spheres of biotechnology, electronics information technology, technology for linking machinery with electronic instrument, marine technology, new materials and new energy resources technology, and remote sensing technology. We should

continue to decontrol scientific research organizations and scientific research personnel, positively run scientific and technological industries, vigorously develop people-run scientific and technological organizations, cultivate and develop technological markets, attend to protecting the intellectual property rights, and speed up the commercialization of scientific and technological findings and the conversion of scientific and technological findings into productive forces. We should attend to the building of the Shandong belt to experiment with the work of relying on science and technology to rejuvenate cities. We should take the new high technology industrial development zones as bases to vigorously develop new high technology leading industries and enterprises, speed up the research and development of new high technology, and accelerate the pace of infusing traditional industries with new high technology.

We should comprehensively implement the "Chinese Program for Educational Reform and Development," deepen the educational system reform, optimize the educational structure, improve educational content and teaching methods, and improve educational quality and schooling efficiency. We should stabilize the ranks of teachers and improve the quality of teachers. By upholding the principle of "walking on two legs," we should encourage enterprises, nongovernmental organizations, and individuals to run schools, under the prerequisite of running schools mainly by the state. We should strive to basically make nine-year compulsory education universal within five years and wipe out illiteracy among young and middle-aged people. We should energetically develop vocational education and adult education to train staff and workers well. By paying equal attention to development and improvement, we should give greater autonomy to institutions of higher learning and concentrate our efforts on running key institutions as well as key subjects and specialties. We should positively increase the proportion of the students studying at their own expense and the students dispatched by corporations or departments to receive training courses. We should gradually move from the situation of students attending colleges primarily at public expense to the situation of students attending colleges primarily at their own expense. We should reform the methods concerning the distribution of graduates from universities, colleges, and secondary specialized schools. We should gradually set up the employment system under which the minority of graduates are employed according to state arrangements and the majority select their jobs on their own.

We should depend on the forces in society to increase educational input through diverse channels and at diverse levels. The increase in the input in science, technology, and education by financial departments should be higher than the increase in the normal financial revenues. At the same time, we should manage and use well the appropriations for education and scientific research and enhance the efficiency of utilization. We should vigorously improve the conditions for running

schools and for conducting scientific research and should improve the working, studying, and living conditions of intellectuals. We should continue to give handsome rewards to the intellectuals who make outstanding contributions, and promote a regular awarding system to fully mobilize the initiative of the vast numbers of intellectuals.

H. We should go all out to build the socialist spiritual civilization and promote the development of all social undertakings.

We should strengthen and improve ideological and political work. We should educate the vast numbers of cadres and the masses in the province to foster correct ideals, belief, and a sense of value and should enhance their idea of loving the country, the party, and socialism. The building of spiritual civilization should proceed from youths and juveniles. We should make great efforts to train new socialist people who have lofty ideals, moral integrity, cultural accomplishments, and a sense of discipline. We should go all out to propagate and commend the model figures who have the spirit of the times, and should attach importance to the building of social morality and professional ethics. We should strive to change prevailing habits and customs to establish a healthy and civilized social atmosphere. We should pay attention to work for elderly people. We should further grasp the national defense education and continue to extensively and penetratingly conduct the activities of supporting the government and cherishing the people and supporting the Army and giving preferential treatment to family members of revolutionary martyrs and servicemen. We should raise to a new level the activity of building double-support model cities and the activity of building the spiritual civilization with joint efforts of the Army and the people and of the police and the people. Governments at all levels should support Army building, strengthen the militia and reserve service work, and appropriately replace retired servicemen and the servicemen transferred to civilian work. We should make great efforts to make the socialist culture flourish and provide the people with rich, colorful, and healthy spiritual products. We should attach importance to the study of social sciences and software sciences. We should energetically develop health undertakings, carry out the primary health care service in rural areas, and enhance the medical and health care level of all the people. We should extensively launch mass sports activities, strive to improve the level of sports games, and build the province into an advanced sports province as early as possible. We should show concern for and support the undertakings related to the handicapped and other social welfare causes. We should go all out to develop press and publication, radio and television, and archival and historical records undertakings, and strengthen the Overseas Chinese affairs, the affairs directed at Taiwan, the nationalities work, and the religious work in order to make them better serve reform, opening up, and economic construction.

We should further strengthen the building of the socialist democracy and legal system. We should pay attention to the education on democracy and the legal system, continue to enhance the sense of democracy and the sense of the legal system among the vast numbers of cadres and the masses, improve the expertise of the ranks of political and legal workers, and create a new situation in administering the province according to laws. With the spirit of assuming high responsibility for the people, governments at all levels should further attend to the comprehensive management of social order, deal stern blows to all sorts of criminal activities according to laws, wage a profound struggle against the "six vices," and resolutely deal blows to manufacturers and sellers of fake and inferior commodities as well as smugglers. We should wipe out all sorts of social ugly phenomena to create a stable social environment for the people's livelihood and economic construction.

We should strengthen leadership over family planning work; conscientiously implement the principle of emphasizing the reports on positive, typical, and grassroots examples; make unremitting efforts to implement the system of responsibility for population target management; strengthen the rural basic work and the management of the family planning of transients; achieve success in healthy births and sound upbringing; and control the quantity and improve the quality of the population. We should enhance all the people's sense of environment, strictly enforce environmental protection laws and regulations, and improve the environment according to law. We should accelerate control of the pollution through waste gas, waste water, and industrial residue and step up improvement of such major polluted waters as the four lakes in southern Shandong, the Xiaoping he, and the Dongping Lake. We should launch an in-depth campaign for improving urban and rural environments comprehensively and prevent new pollution sources from emerging. We should do a good job in afforestation, prevent soil erosion, and step up construction of nature reserves. We should conscientiously enforce land management laws and regulations, strictly prohibit arbitrary use of cultivated land, protect the basic farmland, and manage and use land well. We should strengthen the prospecting, exploitation, use, and management of mineral resources. When building and protecting the ecological environment, we should become persons with merits instead of persons with crimes.

The year 1993 is the first year for the new government. Late last year, the provincial government already made initial arrangements for the 1993 economic and social development plan of the province, which will be submitted to this session for discussion and approval. In doing this year's work, we should give priority to the endeavors of winning a good harvest in agriculture, restructuring the industry, strengthening technical transformation, developing the export-oriented economy, accelerating the development of the tertiary industry,

and implementing the principle of "developing Shandong with science and education" and make sure that all tasks are fulfilled.

3. Further Improve and Strengthen Government Work

The endeavors of developing the socialist market economy and accelerating reform, opening up, and the modernization program set a new and still higher demand on government work. Governments at all levels should conscientiously implement the guidelines of the 14th national party congress; abide by the regulations of "conducting reform, bringing forth new ideas, remaining honest and diligent, doing practical work in unity with others, and providing highly efficient service" for government functionaries; continuously improve and strengthen the government work, and perform the functions of organizing economic construction and managing social affairs.

A. We should further emancipate the mind and update our concepts.

Thinking is the precursor of action. Government functionaries, especially leading cadres at all levels, should first make more efforts to emancipate the mind and change their ideas if they are to improve their ability to master the socialist market economy. We should intensify the study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, continue to enhance our understanding of the criteria of "three advantages," eliminate the influence of "leftist" ideas, thoroughly extricate ourselves from the shackles of uncertainty about whether our moves will be dubbed "capitalist" or "socialist," and, when judging all issues, judge them by whether they are conducive to the development of productive forces. We should thoroughly break with the outdated ideas of self-sufficiency and closing our doors to others and embrace the new idea of socialized large-scale production and large-scale circulation and multidirectional opening up that meets the need of the market economy. We should overcome the thinking of staying in a rut and feeling satisfied with small achievements and embrace and carry forward the enterprising spirit characterized by the courage to go ahead of others and conduct experiments and competition.

Emancipating the mind is in unity with seeking truth from facts. We should correctly handle the relationship between doing our best and doing according to our capacity, emphasize conditions but not conditions alone, give full play to subjective initiative, and carry out the work we are capable of doing resolutely and successfully. Meanwhile, we should guard against unrealistic optimism, refrain from doing work based on subjective desire alone without considering objective results, and avoid formalism.

B. We should conscientiously change government functions and promote institutional reform actively and prudently.

We should regard government institutional reform as the major work for the next two years and include it high on our agenda. The purpose of the reform is to change functions, balance the relations between various sectors, streamline staff and organizations, and improve efficiency in line with the requirement for establishing the socialist market economy system, the principle of separating government functions from business management, and the principle of simplified administration, unity, and efficiency.

Changing functions, especially the government's function of economic management, is the focus of institutional reform. From now on, the government's major tasks for economic management are to formulate economic and social development strategies and plans; to arrange key construction projects; to balance economic relations among different localities, different departments, and different enterprises and do a good job in the overall balance of the macroeconomy; to draw up economic laws, regulations, and policies and release economic information; and to cultivate, regulate, and control the market, conduct supervision and inspection, and use economic, legal, and necessary administrative means comprehensively to guide and promote economic development. Governments at all levels should update their way of thinking, change their work content, improve their work methods, simplify their work procedures, and shift their work focus rapidly to strengthening macroeconomic regulation and control, exercising supervision, and providing service.

After changing functions, governments should actively but prudently adjust their organizations and reduce their personnel. They should be determined to disband or merge the organizations whose work is overlapping or similar, rebuild specialized economic management departments where conditions permit into economic entities, and greatly reduce nonpermanent organizations. Government departments that are retained should also greatly streamline their organs and reduce their personnel. According to our preliminary decision, the work organs of the provincial government will be reduced by about 20 percent, and their functionaries by about 25 percent; government organs at the city and prefectural level will be reduced from 45 to 30, and the number of their personnel will be reduced by about 30 percent; government organs at the county (city) [shi 1579] level will be reduced to 20, and the number of their personnel will be reduced by more than 30 percent; organs at town and township level will be streamlined in such a way that grass-roots political power is strengthened and rural socialized service is improved, and, in particular, the number of personnel employed from outside the localities will be greatly reduced. As the market economy system is still in the making, provincial-level organs are shouldering fairly heavy tasks for macroeconomic regulation and control and also supervision. Some current reform measures are interim, and reform should be continued after experiences are summarized. In connection with the present institutional

reform, all departments should conscientiously define their functions, organizations, staff, and total wages; clarify their scope of responsibility; bring into better balance their work relations with other departments; establish and improve the work responsibility system; and gradually popularize the state public servant system according to central arrangements. Institutions should also promote reform in line with the principle of separating government functions from the management of the institutions and the principle of socialization. The general demand on progress is that reform at the county and township levels should be launched across the board and basically completed this year; reform at the provincial level and the city and prefectural level should make a significant step, be launched across the board next year, and be basically completed by the end of next year. Specific reform plans will be submitted to the provincial people's congress standing committee for discussions and will be implemented after approved by the State Council.

Institutional reform is an arduous and complicated systems engineering project. We should organize it meticulously, properly handle the relations among various sectors, and ensure the smooth transformation of old systems to new. Governments at all levels and the vast number of their functionaries should firmly embrace a respect for the overall situation, subordinate local interests to overall interests, subordinate individuals to organizations, actively participate in reform, and be promoters of reform. Higher pertinent departments are prohibited from intervening in the institutional reform of the lower-level governments. We should coordinate the endeavor of streamlining organizations with that to improve the structure and quality of functionaries, relocate the functionaries through various ways, and place the functionaries in the jobs for which they are trained. During institutional reform, we should strictly prohibit sudden promotion of cadres and division of state property to individuals. Department-turned economic entities and the department personnel laid off should no longer be regarded as administrative organs and should be separated from their original departments. We should strictly prohibit abuse of power in doing business or abuse of the privileges of certain trades to vie for more profits with the masses.

C. We should conduct administration in line with the law and vigorously make policy decisions in a democratic and scientific way.

In establishing the socialist market economic system, we must perfect the legal systems and standardize social economic activities in an overall way and in line with the law. Governments at all levels must orient the management of all social affairs onto the track of legal systems and uphold the principle of conducting administration in line with the law. Efforts should be made to further enhance the establishment of local regulations and systems and to actively put forward suggestions for legislation to promote the auxiliary improvement of laws and

regulations. In particular, we should intensively formulate regulations for safeguarding reform and opening up; enhancing macroeconomic management; and standardizing microeconomic acts. We should earnestly check the existing administrative regulations and the rules on policies. We should abolish those that are outdated and revise or improve those that are not in conformity with the current situation. Government personnel should consciously study and master the laws, enhance their sense of legal systems, and strictly do things in line with the law. They should be good at applying legal measures to dealing with the problems occurring in economic and social development; consciously accept the supervision conducted by the judicial organs, the masses, and public opinion; and resolutely correct the phenomena of "violating the laws while enforcing them," "replacing the law with oral order," and "running against the law by taking advantage of power."

The system of the people's congress is the fundamental political system of our country. Governments at all levels should consciously accept the supervision conducted by the people's congress and its standing committee and earnestly implement the resolutions adopted by it. Efforts should be made to uphold and improve the systems of multiparty cooperation and political consultation, to consolidate and develop the patriotic united front of the new historic period, and to bring into full play the role of the CPPCC Committee in political consultation and democratic supervision. We should actively handle the motions raised by the deputies of the people's congress and the members of the CPPCC Committee. Particularly for suggestions and motions that have a vital bearing on the whole situation in reform, opening up, and economic development, leading comrades should take personal charge of handling them and actively accept the opinions to improve their government work. In formulating or enforcing major or important policy decisions and handling important affairs, we should extensively solicit opinions from the democratic parties; the mass organizations; and the experts of various social circles to upgrade the level of making policy decisions democratically and scientifically.

D. We should further improve the work style and methods and upgrade the level of leadership.

Empty talk can harm the country, and doing practical deeds can make the country prosperous. Since fundamental policies have been fixed and fighting targets have been clearly defined, the key to achieving success in this regard lies in truly grasping the implementation of them and doing practical deeds and a good job in implementation. Governments at all levels should further improve their work style and do more and speak little as well as present the deed after it has been completed. They should also foster a fine morale in which the practical drive is brought into play, truth is being spoken, practical deeds are being done, and practical effects are being sought. Efforts should be realistically made to change the styles of documents and meetings. They should be determined to simplify conferences and documents and to

reduce the activities of routine work and ceremonies. They should also concentrate their efforts on grasping big events and doing practical deeds. Units at all levels and various departments should enhance their sense of discipline and actively coordinate or closely cooperate with others so as to ensure the smooth enforcement of political orders and to upgrade the work efficiency.

We should further improve the methods and arts of leadership and enhance our capability in managing the operation of the market economy. We should foster the sense of taking the lead and find more opportunities to go deep into grass-roots level units and into reality to carry out investigation and study and to discover in a timely manner a new situation and problems occurring in economic and social development as well as to deal with these problems immediately. Special attention should be paid to helping localities that have more difficulties conduct their work and to vigorously grasp work initiative. We should uphold the principles of proceeding from reality, being good at doing "combination" work, and respecting the masses' pioneering spirit. Attention should be paid to popularizing the successful experience and upholding the principles of following the local reality, conducting classified guidance, and refraining from "seeking uniformity" in doing everything. We should be good at applying the method of "playing the piano" and either give priority to work emphasis or concentrate our efforts on dealing with major contradictions. We should make overall management and prevent one-sidedness. We should also often review the work we have done, summarize in a timely manner the experience and lessons we have gained, uphold those that have been deemed correct, and correct those that have been deemed wrong so as to reduce faults and to particularly avoid serious losses.

We should realistically strengthen unity. Leading bodies at all levels should maintain internal unity in the first place, exchange views and communicate with one another more frequently, consult with each other while doing their work, and foster a good social habit of trusting, supporting, and understanding one another and conducting criticism and self-criticism. It is necessary to further strengthen unity at all levels and in various aspects, focus attention on one objective, work in full cooperation and harmony, and advance in unity under the leadership of the provincial party committee.

E. We should strengthen administrative honesty and serve as good public servants.

The more we conduct reform and opening up, the more we should pay attention to strengthening administrative honesty and working diligently to handle administrative affairs. Government functionaries at all levels should be clean and hardworking, and should observe discipline and laws and serve the people wholeheartedly. Particularly, leading cadres at all levels should serve as examples and take the lead in doing so. We should strengthen the building of systems, establish an effective prevention

and restriction mechanism, do a good job in administrative supervision, and consciously place ourselves under the supervision of the deputies and the broad masses. We should strictly enforce and firmly implement the systems of administrative honesty and handling administrative work diligently that have been formulated; realistically grasp the anticorruption struggle as a major affair; pay attention to investigating and handling cases on law and discipline breaches in the leading organs, leading cadres and functionaries of the management, law-enforcement, and supervision departments; and continue to check the unhealthy trends in various trades. We should thoroughly investigate and resolutely handle in line with law the corrupt cases on abusing one's powers to seek personal gain, on corruption and taking bribes, and on neglecting one's duty, regardless of which level or which person is involved.

Our cause is the people's cause and our government is the people's government. Government functionaries at all levels are the people's public servants, regardless of their posts, high or low. We should attach prime importance to the people's interest at any time, firmly cultivate a mass and grass-roots concept, listen to the voice of the masses, care for their hardships, help the grass roots and the masses eliminate misgivings and difficulties, and conscientiously handle the important topics and difficult problems of the masses of people. Continued efforts should be made to inherit and promote the fine traditions of the party, engage in arduous struggle, practice economy, and conduct all tasks by means of thrift and long years of hard work. As long as we do everything for the sake of the people, rely on the people while doing everything and win mass support, we will be able to do our work better and carry out our undertakings victoriously.

Fellow deputies: The next five to 20 years are an important period for carrying out our country's socialist modernization program. The successful road of development has been opened, the tasks are heavy, and the road is long. Let us rally more closely around the party Central Committee with Comrade Jiang Zemin as the nucleus, and under the leadership of the provincial party committee, have full confidence in winning success, emancipate the mind, seek truth from facts, advance in unity, make earnest efforts to do practical work, and strive to realize the grand objectives defined by the 14th party congress and the ninth plenary session of the fifth provincial party committee.

Shandong Holds Smuggling Prevention Conference

SK2005091793 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 19 May 93

[Text] The provincial party committee and the provincial people's government jointly sponsored an emergency telephone conference on the afternoon of 19 May on dealing blows at smuggling and the trafficking of smuggled goods. They urged various localities across the

province to deeply implement the spirit of the directives given by the provincial party committee and the people's government and to further adopt effective measures to resolutely, rapidly, and thoroughly block the evil trend of smuggling and of trafficking the smuggled goods.

Tan Fude, member of the provincial party standing committee and secretary of the provincial Discipline Inspection Commission, presided over the conference. (Sun Shuyu), member of the provincial party standing committee and secretary of the provincial commission of political science and law, was on hand.

During the conference Wang Yuxi, vice governor of the province, delivered a speech in which he said: Party committees and governments at all levels should grasp the work of dealing blows at smuggling and the trafficking of smuggled goods by regarding the work as a serious political task at present. They should correctly straighten out the relation between the central and local authorities, between the whole and the partial, and between the programs of opening up and enlivening the economy and the observance of laws. The leading personnel at city, prefecture, county, and township-town levels should take personal charge of the work. They should adopt effective measures to thoroughly eliminate such activities in their areas. From now on, we should concentrate a period of time on taking concentrated action in dealing blows at smuggling and the trafficking of smuggled goods throughout the province as a whole by regarding coastal areas as a focal point and the prevention of car smuggling as a main target. As for serious and appalling cases, we should thoroughly investigate them and affix responsibility in line with the party discipline and the state law on those who have been involved in such cases. Departments in charge of enforcing the law, such as the Discipline Inspection Commission, public security organs, procuratorial organs, people's courts, customs offices, and industrial and commercial administrations, should foster a sense of the whole situation; enhance their contacts in the work; and closely coordinate with each other. They should foster a powerful fist of combating smuggling according to the overall arrangements of capturing smugglers on the sea, blocking smugglers along coastal areas, checking smugglers along highways, and controlling the markets. A good job should be done in conducting propaganda and education in this regard among the mass and to commend cadres and the masses who have made achievements or made contributions to informing against smuggling crimes.

Shanghai Reemploys 100,000 'Surplus Laborers'

OW1905134393 Beijing XINHUA in English 1318
GMT 19 May 93

[Text] Beijing, May 19 (XINHUA)—Shanghai, China's largest industrial and commercial center, succeeded in re-employing 100,000 surplus laborers in less than one year through the Shanghai Fuyu Employment Service Corporation, the largest of its kind in China.

The corporation has now developed 41 job-introducing markets, 50 stores and trade fairs and a further 50 economic entities especially for purpose of obtaining jobs for the unemployed, according to Ni Huizhu, deputy general-manager of the newly-rising corporation.

It applies flexible methods in developing the tertiary industry and has turned over 60 percent of the surplus laborers in the state-owned enterprises to individual and private businesses, Ni said.

"Hour work" is one of the services developed by the corporation, which mainly supplies housework or temporary work for the job-seekers.

Applications for "hour work" reached as many as 4,200 in one month and over 70 percent of the applicants have obtained jobs, according to the deputy general-manager.

To create more chances for the job-seekers and make them more competent, the corporation has run a series of technical training classes which have enabled thousands of the surplus laborers to become drivers, salespeople, repairmen of household electrical appliances, etc.

Currently, the reform of the labor system is deepening nationwide as well as in Shanghai, which will inevitably turn more surplus laborers to the joint-venture enterprises or individual and private businesses.

Ni said that it is high time for the state to work out favorable policies so as to set up more economic entities and promote employment.

China now has over 10 million surplus laborers in the state-owned enterprises and their employment prospects are getting better, according to an official with the Ministry of Labor.

The booming tertiary industry in the state is creating more chances for the unemployed and has developed into an important means to ease China's unemployment situation.

Zhejiang Official on 'Foreign Cooperation'

OW2005054393 Beijing XINHUA in English 0425
GMT 20 May 93

[Text] Hangzhou, May 20 (XINHUA)—Zhejiang, a coastal province in east China, has expanded foreign cooperation contacts to boost its economy.

According to Yang Zhen, an official with the provincial planning and economic committee, the province will list 80 key economic and technical projects for cooperation at a seminar for overseas investment to be held here next month.

The projects are in textiles and light industry, machinery, electronics, transport, energy development, chemicals, building materials, metallurgy, tourism and real estate.

Priority in policy and monetary arrangements will be given to construction of transport facilities and power supply projects, Yang noted.

Located in the southern part of the Yangtze River delta, Zhejiang had approved of the establishment of 3,708 overseas-funded companies with a total investment amounting to 3.74 billion U.S. dollars by the end of last year.

The first quarter of this year saw the province approve of the establishment of 1,089 overseas-funded companies involving more than one billion U.S. dollars.

Zhejiang Farmers Obtain Technical Certificates

OW1705125693 Beijing XINHUA in English 1146 GMT 17 May 93

[Text] Hangzhou, May 17 (XINHUA)—More than 130,400 [figure as received] farmers in East China's Zhejiang Province have obtained technical certificates from the local government.

In the first batch 218 were graded senior agronomists while 45,135 were classed as agronomists or assistant agronomists. A further 79,261 received certificates as farm technicians or assistants. There were 5,163 women among the recipients.

Farmers with certificates get some privileges in bidding for contracts or in other production activities.

The majority of the farmers are experienced in cropping and animal husbandry although they have not received higher education.

Zhejiang Province, which is located along the southeast coast of China, has the largest fishing population in China and is one of the agriculturally developed provinces.

Chen Xichen, former president of the Zhejiang Agricultural University and member of the credentials committee, attributed the success to the large number of farmer technicians.

The province started its farm certificate awards in 1988.

Southwest Region

Sichuan Secretary Inspects City, Enterprises

HK2005094393 Chengdu Sichuan People's Radio Network in Mandarin 1015 GMT 18 May 93

[Text] On 11-15 May, provincial party Secretary Xie Shijie conducted a five-day inspection in Suining City. While accompanying Secretary Xie to inspect the downtown areas of Suining City, Pengxi County, Shehong County, as well as a number of enterprises including Taohua Brewery, Suining Machinery Factory, and Suining Motorcycle Manufacturing Factory, Suining City party Secretary Luo Yuanfu and Mayor Li Hanning gave a detailed report to Comrade Xie

Shijie on industrial and agricultural production as well as the party building of Suining City.

Provincial party Secretary Xie Shijie pointed out: We should seize the current favorable opportunities for economic development and never let go of these opportunities. We must have the sense of urgency, act more boldly, and take bigger strides. It is necessary to pay close attention to industry and agriculture simultaneously, for there will not be stability without industry nor prosperity without agriculture. We should develop industry while stabilizing agriculture. With a big population and insufficient land, the hilly areas in central Sichuan have long suffered from scarcities of resources. Many counties in these areas are considered big in agriculture, small in industry, and poor in finance. These areas should think of more ways to get rich. Failure of these hilly areas in central Sichuan to get rich will lead to the failure of all Sichuan in its bid to really become prosperous.

Secretary Xie stressed: We should not base our construction only on funds provided by the government. It is imperative to mobilize the masses to raise funds from all possible channels, lift irrational controls, and work flexibly. In particular, vigorous efforts should be taken to promote township and town enterprises; there is much to do in this field. Today, township and town enterprises have become a pillar industry in Sichuan's rural areas. Therefore, we should guide competitive township and town enterprises onto the road of establishing working partnership. The joint-stock system can be put into practice in some of these enterprises where conditions permit. We should increase the scientific and technological content and enhance the additional value of products. It is necessary to go all out to promote the private economic sector, make flexible use of policies, and support the development of the individual economy by providing more financial resources. As regards our economic setup, we need to give play to our superiorities, concentrate our energy on key projects, and develop our own highly competitive products. Efforts should be made to develop new projects so that we can meet the changing needs of the market, completely extricate ourselves from the planned economy, and seek chances of survival in the market.

During his inspection of Suining Machinery Factory, Secretary Xie Shijie expressed his satisfaction with the factory's results in developing [words indistinct] transport trucks for agricultural use. He pointed out: Competition in the automobile manufacturing industry is becoming increasingly acute, and today many places are turning out their own automobiles. What is more, we have to face greater challenges after China regains its GATT status. He said: If it fails to develop to a certain considerable size, the factory may face the danger of being eliminated through competition.

Lastly, Secretary Xie Shijie said: Party and government leaders at all levels should work as one and concentrate their efforts on the central task of economic construction, for this is the starting point of our work.

Government Supports Tibet's Construction

OW1805040793 Beijing XINHUA in English
0341 GMT 18 May 93

[Text] Lhasa, May 18 (XINHUA)—The Tibet Autonomous Region in southwest China has gained full support from the central government in manpower, materials, finance, technology and preferential policies for economic development.

In over 40 years the central government has allocated more than 20 billion yuan (about 4 billion U.S. dollars) for Tibet in financial subsidies and funding capital construction.

Currently state subsidizes for Tibet amounts to 1 billion yuan (about 200 million U.S. dollars) a year, the highest among all provinces, autonomous regions and municipalities.

The large amount of investment in the region has promoted local economic development.

In the past five years, the region's gross domestic product was valued at 12.979 billion yuan (about 2.5 billion U.S. dollars), national income reached 10.468 billion yuan (about 2 billion U.S. dollars) and industrial and agricultural output was valued at 11.678 billion yuan (about 2.3 billion U.S. dollars).

Farming has been improved. The region has an irrigated acreage of 70,000 hectares and the output of township enterprises valued was at 897 million yuan (about 150 million U.S. dollars) over the five years. The per capita income in rural areas is 485 yuan and bank saving deposits reached 663 million yuan.

Major industries are electric power production, mining, building materials, textiles and printing. The private sector of the economy has also achieved fast progress. There are over 40,000 individual business people and industrialists.

The total retail sales volume has reached 1.71 billion yuan (about 300 million U.S. dollars).

The region has opened air routes to Beijing and Chengdu cities. Road transport volume was 5.6 million tons of freight and 6.48 million passengers in the five years. It has modern telecommunications in rural and urban areas.

The region has made efforts to strengthen economic cooperation with other areas of China, as well as big enterprises at home.

In five years the region imported and exported goods worth 180 million U.S. dollars, and attracted 25.1 million U.S. dollars of foreign funds.

North Region

Chen Xitong Addresses Beijing CPC Plenary Session

SK2005084193 Beijing BEIJING RIBAO in Chinese 1
May 93 p 1

[By reporter Sun Yushan (1327 3768 1472): "Seventh Beijing Municipal CPC Committee Holds Second Plenary Session"]

[Text] The Seventh Beijing Municipal CPC Committee held its Second Plenary Session on 30 April. Chen Xitong, secretary of the municipal party committee, chaired the session in the morning, and Li Qiyan, deputy secretary of the municipal party committee and mayor, chaired the session in the afternoon.

Participants at the session heard a report by Li Zhijian, deputy secretary of the municipal party committee, on the party committee's efforts to emancipate the mind, seek truth from facts, and change ideas; a report by Chen Guangwen, deputy secretary of the municipal party committee, on the end-of-term reshuffle of leading bodies; a report by Wang Baosen, Standing Committee member of the municipal party committee and executive vice mayor, on the municipality's economic situation in the first quarter of this year; and a report by Zhang Baifa, Standing Committee member of the municipal party committee and executive vice mayor, on the bidding for hosting the Olympic Games. They discussed and approved the "work regulations of the seventh Beijing Municipal CPC Committee."

Chen Xitong said in his speech: Now that the major policies, targets, and tasks have been clearly defined, the key is to implement them in a down-to-earth manner to make this year's work better than last year's. What should we do for the implementation? First, we should persistently emancipate the mind, seek truth from facts, and eliminate the outdated concepts that shackle the development of productive forces. In particular, we should further emancipate the mind to counter the flinching from difficulties. Second, we should have a practical work plan. Third, we should greatly strengthen investigation and study. We should study new situations, address new problems, summarize new experiences, and exert continuous efforts to make our policymaking more scientific.

Chen Xitong emphasized the need for investigation and study in his speech. He said: Investigation and study are the basic work for leading organs, the basic skill leaders should master, and the specific deed and measure for adhering to the ideological line of emancipating the mind and seeking truth from facts. He emphasized: The basic task for leading organs are to ascertain the situation and to have a correct grasp of policies, and leadership level is directly reflected in correct policies and effective implementation. We are in a period of great change, when the socialist market economy system should be established, outdated ideas and outdated concepts

should be changed, old structures and old systems should be reformed, new situations and new problems should be studied, and the new experiences created by the masses in their practice should be summarized and disseminated. In this period when old systems are to be replaced by the new, there are many new issues which we do not understand and are not familiar with. We should conduct in-depth and systematic investigation and study of them to ensure the correctness of major policies and their effective implementation. Party and government leading organs should regard investigation and study as their basic work and the fundamental way to ensure the correctness of policies, put it in the first place, and take the initiative in doing it well.

Chen Xitong said: Leading persons should not only profoundly understand the guidelines of the central and higher authorities, but they should also be familiar with the situation of the municipality as well as the specific situation of their own districts, counties, plants, schools, and departments; acquire a comprehensive and correct understanding of the developing objective things; and have the ability to use the knowledge concerning natural and social sciences in an all-around manner to master the work methods for integrating general guidelines with specific guidelines and ~~work~~ with the masses. Therefore, leading persons must master the basic skill of investigation and study.

Chen Xitong said: Investigation and study are the specific deed and measure for adhering to and implementing the ideological line of emancipating the mind and seeking truth from facts. Without going deep into the reality of life, without conducting investigation and study, and without mastering the law governing the development of objective things, it is impossible for us to truly emancipate the mind and seek truth from facts.

Chen Xitong also spoke on the major content of the current investigation and study work; on the need to solve problems, which is the purpose of investigation and study; and on several issues we should pay attention to when conducting investigation and study.

Municipal leaders Zhang Jianmin, Wang Daming, and Wang Jialiu and members and alternate members of the municipal party committee attended the session. Responsible comrades of pertinent departments attended as observers.

Activities of Hebei's Cheng Weigao Reported

Meets CYL Congress Representatives

SK2005080393 Shijiazhuang HEBEI RIBAO in Chinese 2 May 93 p 1

[By reporter Feng Junlan (7458 0193 5695): "Cultivate and Carry Forward the Great Pioneering Spirit and Make Contributions to Building an Economically Strong Province"]

[Text] On the afternoon of 1 May, while meeting with the province's representatives who are about to go to Beijing to participate in the 13th Communist Youth League [CYL] Congress, Cheng Weigao, secretary of the provincial party committee and governor of the province, called on all CYL members and youths in the province to further cultivate and carry forward the pioneering spirit and make positive contributions to building the socialist modernized motherland and building Hebei into an economically strong province.

He said: At the first session of the Eighth National People's Congress [NPC], Comrade Jiang Zemin called on the entire nation to energetically carry forward the great pioneering spirit in the period of pioneering socialist modernization and summarized the pioneering spirit that should be energetically advocated and carried forward during the new period in 64 characters. The provincial party committee has demanded all levels of party and CYL organizations in the province to conscientiously study the important speech of Comrade Jiang Zemin and to consider the work of cultivating and carrying forward the pioneering spirit as an important task.

He said: Building socialism with Chinese characteristics is a great pioneering act that must be supported and inspired by a great pioneer spirit. Similarly, building Hebei into an economically strong province as quickly as possible is also inseparable from this pioneering spirit. Carrying forward the pioneering spirit may not only mobilize the people in the province to seize the opportunity and accelerate development but also foster a completely new outlook among the people and encourage them to implement the party's basic line in an even more comprehensive manner and then ensure the healthy development of the socialist modernization. Standing in the forefront of reform, opening up, and economic construction and shouldering a trans-century task, the vast numbers of CYL members and youths are all the more required to cultivate and carry forward the pioneering spirit. Therefore, CYL organizations at all levels should regard the study, implementation, cultivation, and development of the pioneering spirit as an important component in ideological and workstyle construction in the whole CYL and should organize and mobilize the vast numbers of CYL members and youths to actively plunge into the great practice of carrying out reform and opening up, building an economically strong province, and building the socialist spiritual civilization in order to dedicate their youth to the country.

Cheng Weigao pointed out: At present, vast numbers of cadres and the masses are conscientiously implementing the guidelines of the 14th CPC National Congress and the First Session of the Eighth NPC and are seizing the opportunity to develop the economy. We should combine the study of the theory of building a socialism with Chinese characteristics, the implementation of the party's basic line, and the enhancement of the pioneering spirit during the new period with the practice of seizing opportunity, accelerating development, and building an

economically strong province. As a result, the 64-character pioneering spirit formulation advocated by Comrade Jiang Zemin will truly become the spirit of our nation and the spirit of the times for the people in the province. This is the only way of ensuring the rapid fulfillment of the goal of building Hebei into an economically strong province.

Chen Yujie, Standing Committee member of the provincial party committee and director of the organizational department of the provincial party committee, and Li Zhanshu, Standing Committee member of the provincial party committee, joined the reception and made speeches.

Inspects Shijiazhuang Construction

SK2005094293 Shijiazhuang HEBEI RIBAO in Chinese 7 May 93 p 1

[Excerpts] According to the report carried in SHIJIAZHANG RIBAO, Cheng Weigao, secretary of the provincial party committee, inspected the development of real estate in Shijiazhuang. The city's real estate development that is just in the ascendant has shown that Shijiazhuang, capital of the province, has taken a large and solid step in changing itself into a large modernized city.

Cheng Weigao has attached great importance to the construction of the province's capital. In November 1990 he and Executive Governor Ye Liansong led the responsible personnel of the provincial level organs to conduct on-the-spot official work in Shijiazhuang. When conducting the official work, they also put forward the 24-character target for the city's construction and urged the city to successfully fulfill the "six and nine projects"—carrying out six big events and doing nine practical deeds. Most targets in the "six and nine projects" have been fulfilled through the efforts made over the past two years. Since then he and other provincial leaders have inspected the city's construction situation on many occasions and conducted on-the-spot official work as well. In March this year, Cheng Weigao also made important comments on the capital's construction. [passage omitted]

Cheng Weigao was full of zest in inspecting the city's 10 development projects throughout that morning. He also inspected the small residential districts of Ziqiang and Xinhua. Upon hearing that the two districts were built under the city's projects of rebuilding the urban outdated houses for expanding the market on Ziqiang Street and the Wanlimiao Market, Cheng Weigao said: Faster and better progress in building small residential districts will certainly be favorable for promoting the rebuilding of outdated urban areas. In line with the demands of being favorable for developing the socialist market economy and upgrading the quality of the people's livelihood, we should further do a good job in formulating plans and accelerating the rebuilding of outdated urban areas. He instructed the leading personnel of Shijiazhuang and

Xinhua district by definitely pointing out that in conducting urban construction, we should stress quality and the period of construction. In rebuilding an outdated street or district, we should ensure the accomplishment of the tasks within three or four years and within one year in expanding the small residential districts. We should make things convenient for the people's livelihood in the small districts. Hereafter, in building small residential districts we should establish a central system for heating supply and television antenna. We should also take into consideration the establishment of communication lines.

Cheng Weigao also inspected the construction sites of Yinglegong theater, Jinhao hotel, Guangan building, Jiacheng building, and Changanlu stadium.

After concluding his inspections, Cheng Weigao told Li Haifeng, secretary of the city party committee, and Shen Zhifeng, mayor of the city, that he was very encouraged and had good impressions. He urged the city party committee and the city people's government to enhance their urban plans and construction management so as to enable Shijiazhuang to steadily become a large and modernized city.

Hebei Holds Family Planning Work Conference

SK2005080293 Shijiazhuang HEBEI RIBAO in Chinese 2 May 93 p 1

[By reporter Han Shaojun (7281 4801 6511): "Create a Good Population Environment for Economic Development"]

[Excerpts] The provincial family planning work conference was held on 29-30 April, during which the new move on family planning work decided at the meeting jointly held by the provincial party committee and the provincial government was announced. The conference called on all localities to seize the opportunity, greet the challenge, and push the whole province's family planning work to a new stage.

Last year, our province achieved breakthrough progress in family planning work. Based on the big decline of the previous year, the whole province's birth rate showed another decline of 1.28 percentage points and reached 15.33 per thousand. Our province moved from a low position to a high position in the whole country—jumping from ninth place in 1991 to seventh place. Thus, we successfully fulfilled the state-assigned population plan. However, the current situation has remained severe and some problems still exist, such as the big absolute figure of new births; the serious phenomena of illegitimate marriages, and early marriages and early births; unstable birth level; inadequate family planning funds; the failure in implementing the system of negating everything when family planning work is not successfully carried out; and falsehood in reporting family planning figures.

Vice Governor Gu Erxiong pointed out at the conference: The meeting jointly held by the provincial party committee and the provincial government not long ago decided to take the following new move in family planning work in 1993:

We should realistically strengthen leadership over family planning work and further improve the system of attaining our province's population control target. Beginning this year, the "letters of responsibility on managing the population control targets" will be signed with all levels, such as the province with prefectures and cities, prefectures and cities with counties and cities, counties and cities with townships and towns, and townships and towns with villages; a comprehensive assessment will be made; and awards and punishment will be meted out.

We should improve the system of establishing ties with counties and cities whose family planning work has lagged behind. [passage omitted]

We should resolutely implement the system of negating everything when the family planning work is not successfully carried out. While comprehensively appraising party and government leading cadres at all levels, and before promoting or recruiting them, the family planning leading groups of their corresponding levels should give an accurate written appraisal on their implementation of family planning work and on their relatives' and children's family planning work and on their efforts in grasping family planning work. Otherwise, they cannot be appraised as comprehensive advanced individuals or be promoted or recruited.

We should establish the system of having retired party and government leading cadres audit and monitor family planning work and the family planning award and punishment system. [passage omitted]

We should strengthen the sense of family planning; control the "double targets," namely, the state-assigned population planning target and the provincial family planning target; and promote the management of "three certificates"—the certificate to approve child-bearing, the certificate to approve giving births, and the certificate to appraise unauthorized births.

We should strictly forbid early and illegal marriages. Civil administrative departments at all levels should conscientiously undertake this responsibility and the provincial civil administrative department should sign letters of responsibility with the provincial government. They should actively strengthen management over the family planning of transients, further increase input in family planning work, realistically strengthen the building of ranks of family planning workers, actively strengthen family planning propaganda and education work, continue to strenuously check falsehood in reporting births and strive to find out the true figures, persist in mobilizing the masses, rely on them, and strive to enhance the consciousness of the broad masses in implementing family planning. [passage omitted]

Hebei Reviews Agricultural Development, Progress

SK2005051393 Shijiazhuang HEBEI RIBAO in Chinese 30 Apr 93 p 2

[First paragraph is HEBEI RIBAO editor's note]

[Text] Developing the range and quality of production and organizing comprehensive agricultural development are an undertaking that benefits our era and is meritorious for a thousand years. As long as leading persons at all levels attach importance to it and forces from all quarters of society are mobilized to carry it out perseveringly, the vast land of Hebei will become more beautiful and abundant.

Since 1988, when the state planned to carry out large-scale comprehensive agricultural development, Hebei has implemented the comprehensive agricultural development project in the plains along the Hai He, the ecofriendly agricultural project in the upland areas, and the agricultural development project funded by World Bank loans. It has invested 1.995 billion yuan over the past five years to transform more than 9 million mu of low- and medium-yield farmland and reclaim 719,400 mu of wasteland suitable for farming. In the areas where these projects are implemented, grain production capacity has increased by 2.7 billion kg a year, and the per-capita income has increased by about 100 yuan.

The comprehensive agricultural development project in the plains along the Hai He emphasizes transformation of low- and medium-yield farmland and reclamation of wasteland suitable for farming. To date, 6,512 million mu of low- and medium-yield farmland have been transformed, 392,100 mu of wasteland have been reclaimed, 281,500 mu of shelterbelts have been built to protect 5,516 million mu of farmland, and 883,000 mu of grassland have been built or improved. The project has helped to increase the irrigated area by 3,018 million mu, improve 3,109 million mu of irrigated areas, increase and improve waterlogging-free areas by 1,855 million mu. The project has helped increase the grain production by 136.4 million kg.

The ecofriendly agricultural project in the upland areas has yielded notable overall benefits, with 253,500 mu of irrigated land, 237,100 mu of shelterbelts, and 227,700 mu of grassland built. Wheat was sown on 88,900 mu of the irrigated land, which produced 225.3 kg of wheat per mu, showing an increase of 123.8 kg; and corn was planted on 36,500 mu, which produced 520.2 kg per mu, an increase of 198.6 kg. High-yield and high-efficient grain fields have emerged whose single crop exceeded 1,000 jin, double crop exceeded one metric ton, and per-mu income exceeded 500 yuan.

In implementing the agricultural development project funded by the World Bank loans, 9,749 pump wells have been sunk; 1,850 specialized livestock breeding households supported; 6,500 mu of prawn breeding ponds built; and prawn breeding ponds, cotton mills, and

fine-seed farms renovated. Seventy percent of the project was completed, and construction of water supply stations, water storage sluice gates, bait production plants, and cold storage plants was started comprehensively.

Comprehensive agricultural development has yielded many good results and enabled many localities to notably change their low production and poverty. Thanks to improvement of the comprehensive production capacity and production conditions, the agricultural production level of the developed areas has been substantially upgraded. Transformation of low- and medium-yield farmland in Baijiawa of Qingyuan County, Dongdawa of Xiongxian County, and Biangaoxi of Gaoyang County helped most townships and villages double or triple their grain output in the same year. After transformation, the sandy land in Luanxian, Luannan, and Qianxi counties can produce three crops in two years instead of one crop in one year, and their per-mu peanut production has grown from about 100 kg to 170 kg. Fengnan and Leting counties reclaimed marshland and beach areas to plant rice and produced 400 kg of rice in the same year.

Tianjin's Gao Dezhan Speaks on Education

SK2005083593 Tianjin *TIANJIN RIBAO* in Chinese 7 May 93 pp 1,2

[Text] On the afternoon of 6 May, the sixth municipal party congress held group discussions. Delegates to the congress enthusiastically and conscientiously discussed the report made by Comrade Gao Dezhan on behalf of the previous municipal party committee at the opening ceremony.

In reviewing the past five years, Tianjin's course is vividly noticeable. The prospects for the accelerated development of Tianjin in the 1990's and in the coming several years inspire us.

Comrade Gao Dezhan came to "Dongli Hall" and "Hangu Hall" of Tianjin Auditorium to participate in the discussion of the educational group.

It was the first time for Comrade Gao Dezhan, secretary of the municipal party committee, to participate in the party congress of Tianjin Municipality, because he began working for Tianjin not long ago. After cordially shaking hands with delegates, he sat among them and, facing their earnest gaze, said: "The educational group is the first place I am visiting today to join the group discussions."

When he had hardly finished speaking, the audience burst into warm applause.

Comrade Gao Dezhan said: "Education is of fundamental importance to the fulfillment of our great, long-range mission." Many delegates chimed in with him, and then laughed. Comrade Gao Dezhan added: "To make various undertakings successful, the most important thing lies in talented persons, because everything must

be done by people. From immediate and long-term interests, we must go all out to develop education. When education is beefed up, we are able to train numerous talented people, and when we have numerous talented people, the economy and various undertakings will certainly develop greatly."

Comrade Gao Dezhan's remarks again set off great waves in the hearts of delegates. They took the floor one after another and offered advice and suggestions for Tianjin's accelerating the opportunity and accelerating development.

"Comrade Gao Dezhan's report made this morning on behalf of the fifth municipal party committee is a very good one. The achievements in eight fields during the past five years and the 10 experiences summarized in the report are realistic. The basic image and the major tasks set for Tianjin to accelerate development are inspiring."

With fervor and assurance, delegates spoke on Tianjin's development blueprint for the 1990's in line with the reality of Tianjin's education.

"How should Tianjin and Nankai Universities, key universities of the state, play their due role in developing Tianjin's science and technology and in training talented people?"

"How should the adult education train competent persons for Tianjin's economic construction?"

"How should the higher educational cause take the road of importing foreign investment and cooperating domestically?"

Delegate Zhao Jinsheng, over 80 in age, said with deep feelings: "During my life, I have undergone three educational development periods of China. The present one is the best to develop education as well as a period in which the Chinese nation will take a leap. We must seize this opportunity to accelerate Tianjin's development, including the development of Tianjin's educational cause."

Gao Dezhan noted down deputies' opinions and suggestions in his notebook.

Delegates asked Comrade Gao Dezhan to say something to the delegates from educators. Comrade Gao Dezhan said: "What should be said has already been mentioned in my report this morning. I have come here to hear your opinions. It is a hard-won, good opportunity. You have offered many good views and opinions, which are very important and valuable to educational work in the future. This afternoon, I will stay here and discuss affairs with educational groups only."

Delegates smiled with understanding.

Northeast Region

Heilongjiang Collectives' Productivity Declines

SK2005064893 Harbin Heilongjiang People's Radio Network in Mandarin 0000 GMT 20 May 93

[Text] Based on an analysis of the situations of 1,999 collective industrial enterprises at and above the county level, during the first quarter of this year, the production and economic efficiency of our province's collective industrial enterprises declined seriously. The total output value, sales taxes, and the profit volume of profit-making enterprises showed a decline of 11.08, 9.87, and 49.2 percent, respectively, from the same period of last year. The deficit volume of money-losing enterprises reached 18.27 million yuan, showing an increase of 30.4 percent over the previous year. After offsetting profits and deficits, the deficits were found to amount to 10.06 million yuan, an increase of 1.88 times over the previous year.

According to the analysis made by the relevant departments, the main reason for the increase in deficits and the decline in profits was caused by the increase in production costs and the increase in wage expenses.

Jilin's He Zhukang Observes Police Training

SK2005081993 Changchun JILIN RIBAO in Chinese 9 May 93 p 1

[Excerpts] When a "criminal" threatening a hostage moved towards an airplane with a "54-type" gun in his hand and prepared to hijack the airplane in an attempt to escape, a gunshot from a sniper was heard and the "criminal" fell immediately to the ground. The hostage was saved. This was a part of the "934" action drill performed by the armed police force of the provincial and Changchun city public security organs at Changchun Dafangshen Airport at 1115 this morning.

In order to meet the needs of actual struggles, to further enhance the ability of public security organs and various categories of armed police in dealing with serious crimes and sudden incidents and in showing quick reaction during emergencies, and to enable them to take unified command and quick action, to fight with concerted efforts, to resolutely handle cases, to reduce social harm, and to safeguard the smooth progress of the socialist modernization program, the armed police force of the province and Changchun city public security organs jointly held this simulated field drill. [passage omitted]

Provincial leaders, including He Zhukang, Gao Yan, Wang Jinshan, Gu Changchun, Su Rong, Wang Guofa, and Fang Jianyu; Shi Zhaoping, political commissar of the provincial military district; and Mi Fengun, mayor of Changchun city, reviewed the policemen participating in the drill and were satisfied with the entire drill.

Jilin Notes Improved Standard of Living

SK1805120993 Changchun JILIN RIBAO in Chinese 27 Apr 93 p 1

[Summary] Over the past five years, the living standards of both urban and rural people throughout Jilin Province have been upgraded on a large scale. The people's income and bank deposits have increased steadily and on a large scale.

The per capita income of urban people increased from 751.7 yuan in 1987 to 1,470.8 yuan in 1992, a 14.2 percent increase excluding the factors of price hikes over 1987. The yearly average increase in this regard was 2.7 percent.

The per capita net income of rural people increased from 523 yuan in 1987 to 807.4 yuan in 1992, a 13.1 percent increase excluding the factors of price hikes over 1987. The yearly average increase in this regard was 2.5 percent.

The volume of saving deposits made both urban and rural people increased from 8.32 billion yuan in 1978 to 31.54 billion yuan in 1992, a 2.8-fold increase over 1987. The yearly average increase was 46.4 percent.

The per capita housing acreage of urban people increased from 6.2 square meters in 1987 to 8.3 square meters in 1992 and that of rural people increased from 12.5 square meters in 1987 to 14.2 square meters in 1992.

The per capita spending on recreation, culture, and education of urban people in 1992 showed a two-fold increase over 1987.

Northwest Region

Gansu's Lanzhou Executes, Arrests Criminals

HK1805052093 Lanzhou GANSU RIBAO in Chinese 16 Apr 93 p 1

[By trainee reporter Wang Yangzhi (3769 2543 0037): "Gansu City Executes 14 Criminals According to Law"]

[Text] On 15 April, Lanzhou held a rally to announce the sentencing and arrests of criminals. Fourteen criminals were sentenced to death and executed according to the law, and 30 people involved in criminal cases were arrested.

Convicted criminal Su Rong ganged up with his younger brother, Su Wenge, and planned to rob two young women, surnamed Wu and Xiang. The Su brothers followed the two women and got on a bus at the Xiaoxihu bus stop. In the bus, Su Rong gripped Wu's hair, swore at her, beat up her, used a knife to stab Wu's arm and head, and robbed her of 380 yuan. At the same time, Su Wenge beat up and threatened Xiang, and used the knife passed by Su Rong to stab Xiang's hands and face. Then, Su Rong robbed Xiang of 60 yuan. Su's crime

of armed robbery in a bus was very serious. He was sentenced to death and deprived of political rights.

After the announcement rally, robbers So Rong, Hou Wenquan, Su Zizheng, Zhang Ping, Su Yongqi, and Chen Ji; Feng Linyuan, a murderer-robber-burglar; Liu Wenyi, a murderer-hooligan-burglar; murderers Xu Jianmin, Liu Yu, and Qi Jianjun; and Lu Zhiqi and Qian Zhihua were sent to the execution ground and were executed by shooting.

At the same rally, the public security organ in Lanzhou announced the arrest of 30 criminals, including Yao Peihong.

Ningxia CPC Committee Elects Officials

HK1905111393 Yinchuan NINGXIA RIBAO in Chinese 30 Apr 93 p 1

["New Leading Bodies of Ningxia Regional CPC Committee and Discipline Inspection Committee Elected"]

[Text] The First Plenary Session of the CPC Seventh Ningxia Hui Autonomous Region was convoked in Ningxia on the morning of 29 April.

Attending the meeting were 37 regional party committee members and seven alternate members.

Comrade Huang Huang presided over the meeting and made the concluding speech.

At the plenary session, Comrade Huang Huang explained the personnel arrangements for the regional party committee standing committee. Through preliminary informal discussions, the plenary session elected the regional party committee standing committee, the regional party committee secretary and deputy secretaries according to the secret ballot method, and an equal number of candidates for an equal number of seats. The plenary session approved a new secretary, deputy secretaries, and standing committee members elected by the first plenary session of the regional commission for discipline inspection. The list is as follows:

Autonomous Region Party Committee Standing Committee

Huang Huang, Bai Lichen (Hui nationality), Yao Minxue [1202 2404 1331], Ma Qizhi (Hui nationality), Kang Yi, Hu Shihao, Li Junjie [2621 0193 2638], Ren Qixing, Chen Fuguang, and Ma Xiguang

Autonomous Region Party Committee Secretary

Huang Huang

Autonomous Region Party Committee Deputy Secretaries

Bai Lichen (Hui nationality), Yao Xuemin, Ma Qizhi (Hui nationality), and Kang Yi

Autonomous Region Party Committee Standing Committee Members

Li Junjie, Fan Fuchang [2868 4395 2490], Wu Guocai [0702 0948 2088] (Hui nationality), Li Shufen [2621 3219 5358] (female), Zhao Kefei (6392 0344 7236), Zhu Liqing [2612 4539 3237], Wang Wenhua [3769 2429 5478], Bao Tianzhu [0545 1131 2691], and He Yaodong [0149 5069 2639] (Hui nationality)

Autonomous Region Commission for Discipline Inspection Secretary

Li Junjie

Autonomous Region Commission for Discipline Inspection Deputy Secretaries

Fan Fuchang, Wu Guocai (Hui nationality), Li Shufen (female)

The autonomous region commission for discipline inspection elected by the Seventh Party Congress of the Ningxia Hui Autonomous Region convoked its first plenary session in Yinchuan on the morning of 29 April.

Attending the plenary session were 22 members of the autonomous region commission for discipline inspection.

Comrade Li Junjie presided and delivered a speech. Comrade Kang Yi explained the personnel arrangements for discipline inspection commission standing committee. Through preliminary informal discussions, standing committee members, the secretary, and the deputy secretaries were elected according to the secret ballot method and there was an equal number of candidates for an equal number of seats. The results were submitted to the autonomous region party committee for its approval.

Qinghai Elects Discipline Inspection Leaders

HK2005112893 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 16 May 93

[Text] The CPC Qinghai Provincial Commission for Discipline Inspection held its first plenary meeting in Xining on the evening of 15 May. The new leadership of the provincial Commission for Discipline Inspection was elected at the meeting, which was chaired by Comrade Doba. Twenty-eight members of the provincial Commission for Discipline Inspection attended the meeting.

By secret ballot, the plenary meeting elected the new leaders of the provincial Commission for Discipline Inspection. The newly elected members of the provincial Commission for Discipline Inspection Standing Committee are: Doba, Zhang Zilian, Li Youwei, Xu Fangzhi, Li Jigu, Guo Juliang, Yan Zhizhong, Song Jiansheng, and Leng Ba. Doba was elected secretary, and Zhang Zilian, Li Youwei, and Xu Fangzhi were elected deputy secretaries.

Shaanxi Secretary Attends Party Plenum

*HK1905135493 Xian Shaanxi People's Radio Network
in Mandarin 0500 GMT 18 May 93*

[Text] The First Plenary Session of the Eighth Shaanxi Provincial CPC Committee was held in the People's Building in Xian yesterday morning. Comrade Zhang Boxing presided over the meeting.

The meeting elected by secret ballot standing committee members, secretary, and deputy secretaries of the Eighth Shaanxi Provincial CPC Committee. Comrade Zhang Boxing was reelected secretary of the provincial party committee.

The meeting also adopted by a show of hands a report submitted by the Shaanxi Provincial CPC Commission for Discipline Inspection on the election results of its First Plenary Session.

Zhang Boxing indicated in a speech: All members of the Standing Committee and all comrades of the Eighth Shaanxi Provincial CPC Committee will certainly live up to the ardent expectations and great trust placed in us by all party members and the masses of the people throughout the province. We must further emancipate our mind, use our minds and concentrate our energy on solid work, take on a totally new mental outlook and adopt a practical work style, work together with all the party members and the masses of people of our province, and strive to attain all tasks set at the meeting.

Zhang Boxing emphatically pointed out: At present, certain unhealthy trends and corrupt phenomena are spreading unchecked within the party and in the society, and the situation is specially serious in a number of localities and departments, and among a handful of people. Such a situation has aroused strong resentment

among vast numbers of the masses. We must devote great efforts to rectifying this situation, improve the work style of the party and strengthen the building of clean administration, and bring about a good turn in the party's work style and the general mood of the society.

Zhang Boxing urged all prefectures, cities, counties, and departments at the provincial level to continue carrying out in depth the spirit of Comrade Deng Xiaoping's remarks during his southern trip as well as the guidelines of the 14th party congress; promptly relay to lower levels the gist of the eighth provincial party congress; make known to every household the economic and social strategic goals, tasks, and measures set by the eighth provincial party congress; and really attain the goal in which everyone in the province suggests ways and means and makes due contributions to speeding up Shaanxi's economic development.

Standing Committee Names Members

*HK1905144393 Xian Shaanxi People's Radio Network
in Mandarin 0500 GMT 18 May 93*

[Text] The following is the name list of the members of Standing Committee of the Eighth Shaanxi Provincial CPC Committee, and secretary and deputy secretaries of the Eighth Shaanxi Provincial CPC Committee:

Members of the Standing Committee of the Eighth Shaanxi Provincial CPC Committee: Zhang Boxing, Bai Qingcai, Liu Ronghui, Zhi Yimin, Cheng Andong, Li Huanzheng, Wu Dongwu, Jia Zhenmin, Wang Zhicheng, Liu Shuichu, Jia Zhizhang, and Ai Jingzhan.

Secretary of the Eighth Shaanxi Provincial CPC Committee: Zhang Boxing.

Deputy Secretaries of the Eighth Shaanxi Provincial CPC Committee: Bai Qingcai, Liu Ronghui, and Zhi Yimin.

France To Proceed With Mirage Sale to Taipei

OW2005082393 Taipei CNA in English 0747 GMT
20 May 93

[Text] Paris, May 19 (CNA)—The newly formed conservative government will honor previous commitment to sell 60 Mirage jet fighters to the Republic of China [ROC], a spokesman for the French Foreign Ministry said Wednesday [19 May].

The spokesman made the statement in response to news reports that the Balladur administration may scrap the arms deal with the ROC in its efforts to improve ties with Beijing. France approved the US\$6 billion jet sale last year.

However, he said the government will not consider selling other arms to Taiwan at the present time. The spokesman was referring to reports that Taiwan intends to buy other arms from France.

The new government will go ahead with its arms sale to Taiwan, while seeking better ties with Beijing, the spokesman stressed.

Minister Chien Announces Effort To Rejoin UN

OW2005051593 Taipei Voice of Free China in English
0200 GMT 19 May 93

[From the "News" program]

[Text] The ROC's [Republic of China] Foreign Minister Fredrick Chien [Chien Fu] said Monday [17 May] that the ROC's renewed interest in reentering the United Nations has been spurred by the international organization's enhanced role in world affairs since the demise of the cold war.

In the past, the ROC was not very eager to join the UN because the UN was not an effective organization, Chien told a news conference held to release a paper outlining Taiwan's strategy on rejoining the world body. Chien said he disagreed with a recent statement by visiting former U.S. Ambassador to the UN Jeanne Kirkpatrick that the ROC's pursuit of UN membership could not be more than a symbolic gesture. Chien said Taiwan's efforts to participate in the UN will not be without a payoff. Chien also said that backed by its economic strength Taiwan will launch a major effort to rejoin the UN.

At the press conference, Chien also presented a brochure prepared by his ministry which called on the public to help the government to announce to the world the ROC's desire to participate in the UN once again. The goal of the campaign was to draw enough attention to the UN reentry effort to trigger a discussion of the issue at the UN General Assembly within three years. The UN reentry effort was now the top priority for all ROC overseas representative offices, he said.

Japanese Trade Minister's Visit 'Uncertain'

OW1905162293 Taipei CNA in English 1449 GMT
19 May 93

[Text] Tokyo, May 19 (CNA)—Japanese Minister of International Trade and Industry [MITI] Yoshio Mori Wednesday [19 May] met with Ku Chen-fu, chairman of the Chinese National Association of Industry and Commerce, and Lin Chin-ching, the Republic of China's [ROC] representative to Japan.

During the 50-minute meeting in Mori's office, Ku told the MITI chief Japan should take actions to redress its growing trade surplus with the ROC which topped US [figure indistinct] billion last year.

Japan should lift its administrative trade barriers on Taiwan imports, he pointed out, adding that Japanese high-tech companies should also increase investment in Taiwan.

Ku, chairman of Taipei's Straits Exchange Foundation, a private organization authorized by the ROC Government to handle non-governmental affairs across the Taiwan Straits, also briefed Mori on his recent talks in Singapore with the head of Beijing's Association for Relations Across Taiwan Straits.

The influential business leader took advantage of the meeting to invite Mori to visit Taipei, but he told reporters later that it's still uncertain whether the MITI chief can make the trip.

According to Ku, the most likely time for Mori to visit Taiwan is before next September when Japan's ruling Liberal Democratic Party will hold its presidential election.

Ku is the head of a prominent ROC trade delegation which arrived in Tokyo Sunday [16 May] to promote bilateral exports to Japan.

Official From Japan's MITI Begins Visit

OW2005083193 Taipei CNA in English 0741 GMT
20 May 93

[Text] Taipei, May 20 (CNA)—Sozaburo Okamatsu, director-general of the Ministry of International Trade and Industry (MITI) of Japan, arrived in Taipei Thursday [20 May] morning, primarily for talks on Japan's trade surplus with the Republic of China [ROC].

Okamatsu, the highest ranking Japanese official to visit Taiwan in 21 years since the ROC severed diplomatic ties with Japan in 1972, will first meet Sheu Ke-sheng, director-general of the Board of Foreign Trade [BOFT] Thursday afternoon, for discussions on ways to narrow down the ever-widening trade gap between the two countries.

"The public in Taiwan seems to be concerned about Japan's trade surplus with Taiwan," a MITI official said before Okamatsu left for Taipei. "It is important for Japan to send a high official for frank discussions."

It was learned that Sheu will brief Okamatsu on Taipei's plans on seeking more Japanese investments in Taiwan and eventually selling back goods the Japanese investors manufactured in Taiwan. Sheu suggested that this will be one of the most effective measures in correcting the trade imbalance in favor of Japan.

Taiwan's trade deficit with Japan, amounting to US\$12.9 billion in 1992, is expected to top US\$15 billion this year, BOFT officials estimated.

Lien Chan Meets Japanese Association Head

*OW2005084093 Taipei CNA in English 0733 GMT
20 May 93*

[Text] Taipei, May 20 (CNA)—Premier Lien Chan stressed Wednesday [19 May] that the government has patience, confidence, and sincerity to face various challenges in its bid to join international organizations.

Given Taiwan's powerhouse economy which has won recognition around the world, the international community should give support to Taiwan's membership applications to various world agencies, Lien pointed out.

"We hope to assume our responsibility in the world," he said. The premier made these remarks while meeting with Kaya Harunori, president of the Japan Interchange Association. The association represents the Japanese interests in Taiwan in the absence of diplomatic ties between the two countries.

Noting that Taiwan's international position has become increasingly important, Harunori said he felt positive toward Taiwan's efforts to push for admission into international organizations.

The Japanese guest was accompanied during the meeting by Teng Pei-yin, director of the East Asian and Pacific Affairs Department of the Ministry of Foreign Affairs, and Tseng Pin-hsiang, secretary general of the Association of East Asian Relations.

'Rebels' in Kuomintang To Form New Party

*OW1905145393 Tokyo KYODO in English 1439 GMT
19 May 93*

[Text] Taipei, May 19 KYODO—Rebels among Taiwan's ruling Nationalist Party (Kuomintang) on Wednesday [19 May] said they are breaking away to form a splinter group, deepening the rift between conservatives and liberals within the party.

The announcement of the "New Alliance Nationalist Party" by about 30 young renegades, mostly second-generation mainlanders, leaves the nationalists virtually divided just three months ahead of the 14th party congress in August.

Since the nationalists suffered a major setback in general elections last December, the party has been locked in a permanent power struggle between "mainstream" liberals supporting a more Taiwan-oriented policy and the

conservative faction, which wants to keep unification with Mainland China on top of the agenda.

The nationalist split looks set to play into the hands of the opposition Democratic Progressive Party (DPP), which is advocating an independent Taiwan. It holds almost one-third of seats in the parliament, giving further impetus for a two-party system.

The row between conservatives and liberals came to a peak on Wednesday after the ruling party's Central Standing Committee approved a proposal to increase the proportion of legislators as delegates at the party congress.

Previously about 90 percent of the delegates were appointed by local party cells. The conservative rebels denounced the decision as a stratagem to ensure the reelection of president Li Teng-hui as party chairman.

Under Li, the first Taiwan-born party chairman, the influence of Taiwanese in the Nationalist Party increased rapidly.

Senior KMT Leaders Announce Intent To Retire

*OW1905164293 Taipei CNA in English 1504 GMT
19 May 93*

[Text] Taipei, May 19 (CNA)—Five senior leaders of the Republic of China [ROC]'s ruling Kuomintang [KMT] Wednesday [19 May] announced they will step down after the 14th national party congress in August.

They are former Vice President Hsieh Tung-min, former Premier Yu Kuo-hua, former Legislative Yuan Speaker Nieh Wen-ya, former Economics and Finance Minister Li Kuoting and former National Assembly Secretary-General Irwine Ho [Ho I-wu].

They told a weekly meeting of the KMT Central Standing Committee that they will leave the policy making body after the 14th party congress, paving the way for the rejuvenation of the KMT leadership.

The five said they will not run for seats in the Central Committee during the congress. The congress will elect a new central committee, which will produce the new members of the Central Standing Committee.

Saying they are retiring for old age and health reason, the senior KMT leaders ranging from 79 to 87 years old indicated that their resignation would benefit a smooth transfer of power to the younger generation.

During the meeting, the number of delegates to the congress was fixed at 2,100, putting an end to debate on the controversial issue of how many delegates should take part in the congress. The constituency of the Central Committee is seen as key to the alignment of power within the KMT itself.

Of the 2,100 delegates, 1,400 will be elected from among average party members, while the remaining 700 seats will be allocated to party cadres and KMT-affiliated lawmakers at various levels.

The meeting also decided that the election of the 1,400 delegates will be held from June 16 to July 15.

Hong Kong

Editorial Views UK Preparations for Talks

HK2005061593 Hong Kong WEN WEI PO in Chinese
20 May 93 p 2

[Editorial: "Electoral Arrangements Rather Than Constitutional Reform Package To Be Discussed"]

[Text] Hong Kong Governor Chris Patten convened an Executive Council [Exco] meeting on 11 May. According to revelations by "sources" after the meeting, the governor analyzed the situation for the third round of talks and made preparations for the failure to make a breakthrough in the talks. It was said that "the British side had been prepared for the worst."

On 18 May, while meeting a delegation from the Hong Kong Association of Democracy and People's Livelihood, Douglas Hurd said: "The British side does not want to set a deadline for the talks, but they cannot be prolonged indefinitely." Sources said that "the British side holds that its position has been made very clear, so whether or not the third round of the talks is fruitful depends on the attitude of the Chinese side." At the same time, the "sources" also said that because John Major is busy with domestic affairs, Chris Patten has full power in handling the Hong Kong issue. In the future, Exco would make decisions on the British position in the talks.

What does Patten's "preparations for the worst" mean? Obviously, he was not hopeful that the UK and China would solve the issue of arranging the 1994 and 1995 elections through the talks, because that would mean the annulment of his constitutional reform package. During his visit to the United States, Patten repeatedly advocated that the "bottom line" of the British side in the talks was to ensure that the through train would bring all passengers across in 1997. He was aware that this would in fact violate the principle of sovereignty specified by the Basic Law and would not be accepted by the Chinese side. Patten is attempting to employ dilatory tactics to create obstacles to the talks and make it impossible for the talks to continue. Then, on the grounds that he cannot delay the legislative process, he will require the Legislative Council to pass the reform package. This report about "the British side having made preparations for the worst" has upset the local community of Hong Kong. People from all social strata in Hong Kong hope that China and the UK will solve the problems through talks on the basis of the "three conformities" in order to ensure a smooth transition and to maintain Hong Kong's prosperity and stability.

Yesterday, Legislative Councillor Mr. Wong Hong-yuen expressed Hong Kong people's concern in a speech to the British Royal Institute of International Affairs. He said: "If Governor Patten feels depressed about the Sino-British talks and decides to submit his political reform package to the Legislative Council [Legco], then this will be a disaster for Hong Kong."

Such worry is not without grounds. Various signs show that the British side is still trying to take the political reform package as the starting point and stick to the unconditional through train arrangement in the talks. This will do no good for the settlement of the problems affecting the smooth transition through the talks.

Through diplomatic contacts, China and the UK have agreed to hold talks on the arrangements for the 1994 and 1995 elections in Hong Kong on the basis of implementing the Joint Declaration, converging with the Basic Law, and honoring the agreements and understandings the two sides have reached. This was clearly stated in the new bulletin. However, on the eve of the third round of talks, the attitude of the British side once again moved backward, with it arguing that Patten's package represented the British side's position and that Patten's package was in keeping with the "three conformities" principle. That is, the British side once again denied the principle which had been accepted by both sides. Such argument will inevitably bring the dispute back to the point of whether or not the agreements and understandings on the 1994-95 elections reached through the seven letters exchanged by the Chinese and British foreign ministers were valid and whether or not the principle of converging with the Basic Law remains good. The constitutional structure has been prescribed by the Basic Law and the principle of ensuring the convergence of the pre-1997 constitutional structure with the Basic Law was affirmed by the letters exchanged by the foreign ministers. However, Patten still wants to adopt a different constitutional package and completely disregards the Basic Law and the agreements reached between China and the UK. This is a breach of faith.

On 17 May, Qian Qichen, Chinese vice premier and foreign minister, pointed out: There are only 49 months until 1997. China and the UK are only now facing the issue of conscientiously implementing a series of agreements and are not facing the so-called constitutional structure issue. No matter what results the talks achieve, China will adhere to the principle of one country, two systems and will firmly keep confidence in maintaining Hong Kong's prosperity and stability and ensuring Hong Kong's smooth transition.

This is the solemn position of the Chinese Government. Patten must not wrongly assess the situation and repeat his mistake of gazetting the constitutional package. China will never discuss any constitutional reform package with the British side; instead, it will require the British side to honor the agreements. If the British side is willing to carry out the agreements, the Chinese side will be willing to discuss the technical arrangements for the 1994 and 1995 elections. Patten's demand for an unconditional through train arrangement has no relation to the ongoing Sino-British talks. If the British side accepts the principle of converging with the Basic Law, it should respect the principle of sovereignty prescribed by the Basic Law.

There should certainly be legal procedures for the UK to transfer the government to China and for China to resume the exercise of sovereignty over Hong Kong. There should be certain verification and affirmation procedures to determine whether a Legco member can remain in office after 1997. The Chinese National People's Congress' decision on forming the first government and the Special Administrative Region's [SAR] first legislative council [Legco] specifies: The composition of the Legco in 1995 should be in keeping with this decision, with the Basic Law, and with relevant stipulations; its members should uphold the Basic Law, pledge allegiance to the SAR, and meet the requirements of the Basic Law; and they can become members of the first SAR Legco only after verification and affirmation by the SAR Preparatory Committee. The Basic Law cannot be revised before 1997, still less can it be negated by the UK through talks. The Chinese representative to the talks has no authority to promise that there will not be ticket inspection procedure on behalf of the future SAR Government. If the British side demands that no ticket inspection be carried out, that demand itself violates the Basic Law and shows that it has no sincerity for holding the talks on the basis of the "three conformities" principle.

As long as the British side acts according to the "three conformities" principle, the issue of election arrangements will be solved smoothly. If it "makes preparations for the worst," this can only be regarded as a kind of intimidation and the Chinese people will never yield to any intimidation.

JLG Reaches Accord on TV, Electric Firm

HK2005123793 Beijing ZHONGGUO XINWEN SHE in English 1105 GMT 20 May 93

[Text] Hong Kong, May 20 (CNS)—An official of the Chinese side of the Sino-British Joint Liaison Group (JLG), speaking in a recent interview with this agency, commented on the settlement of several matters.

The official confirmed that following discussions and consultations between the two sides, China and Britain had recently agreed on three matters, mainly pay TV licences, approval for a contract for a reclamation area in the western New Territories and the extension of an agreement for the Hong Kong Electric Co. Ltd. He said that the Chinese government had long paid attention to the livelihood of Hong Kong people and the socio-economic development of the territory. The Chinese side, according to the official, will have a positive attitude towards the settling of various matters so long as they are favourable to Hong Kong's long-term stability and a smooth handover of sovereignty in 1997.

As for contracts, deeds and agreements whose validity straddle June 30, 1997, China's position is clear. As British rule over the territory will terminate on June 30, 1997 in accordance with the Sino-British Joint Declaration, all contracts, deeds and agreements signed or approved by the British Hong Kong government will

expire on that date except for title deeds which are subject to stipulations in Appendix 3 of the Joint Declaration. The Chinese side has said on several occasions that all contracts, deeds and agreements straddling 1997 must be submitted to the JLG for consultation in a bid to ensure a steady transition in the territory.

As 1997 draws closer, the official said he hoped the British would adopt a cooperative attitude in making joint efforts in settling a number of complicated matters which exist at present.

Editorial on Privy Council Ruling on Drug Money

HK2005023093 Hong Kong THE STANDARD in English 20 May 93 p 13

[Editorial: "Law Lords Deliver a Blow to Drug Dealers"]

[Text] Drug traffickers suffered a well-deserved defeat yesterday when the Privy Council upheld Hong Kong's anti-money laundering laws. The Hong Kong public was entitled to feel somewhat dismayed and confused last August when Justice Thomas Gall ruled that a provision of the Drug Trafficking (Recovery of Proceeds) Bill, which made it an offence to assist a drug trafficker to retain or dispose of drug money, was invalid.

He said the law conflicted with the Bill of Rights' guarantee of a presumption of innocence in that it assumed a person accused of laundering money knew he was dealing with a drug dealer. Stunned by this ruling, one local police official commented: "We've just lost our licence to go after the money launderers." Yesterday's Privy Council decision means, in effect, that the police have got that licence back.

The Law Lords' action was the only reasonable response. It was rooted in the recognition that police need all the tools they can get to combat this malodorous enterprise. The Privy Council has injected an element of rationality into the debate and has clearly implied that legitimate businesses and ordinary people had nothing to fear from the ordinance. We should never forget that the legislation was introduced in a bid to combat a systematic and pervasive pattern of crime.

Few crimes are more despicable than drug trafficking. Drug profits provide the wherewithal for men of criminal backgrounds and methods of operation to gain a foothold, and in some instances much more than that, in the world of legally approved business. The sight throughout the world of drug addicts dying painful deaths after years of life-destroying addiction is a grim reminder to all of us that the battle to beat the drug barons is ongoing.

The legislation, which has been in limbo since last August, represents an attempt to hit these dealers in death where it really hurts—in their bank accounts. Banks have kept their reporting mechanisms in place. This means that bank employees are obliged to report large or suspicious transactions to their employers. On

legal advice, however, higher officials at the banks have not been passing this information across to the police. The money involved runs into billions of dollars.

Hong Kong's image would have suffered irreparable damage if the Law Lords had decided to interpret the law differently. It may well be that there is valid cause for concern about the number of Hong Kong laws which demand that the defendant proves a degree of innocence. The ruling now gives us a framework to judge each of these. That framework will not undermine them to any great extent. The law is stronger by it. And that, too, is good news.

Study Sees Opportunities in Return to PRC Rule

HK2005020893 Hong Kong SOUTH CHINA
MORNING POST in English 20 May 93 p 1

[By Doreen Cheung]

[Text] The overriding objective for Hong Kong in the next decade must be to foster a broad-based and sustainable working relationship with China, according to the influential Business and Professionals Federation. The federation today unveils an ambitious plan to turn Hong Kong into a leading commercial city of China—exploiting particularly its part in booming Guangdong province—and establish itself as the services capital of Asia.

It prescribes a host of visionary initiatives for the civil service, infrastructure, trade and institutional links with the mainland. Titled "Hong Kong 21—A Ten Year Vision and Agenda for Hong Kong's Economy," the economic study suggests that Hong Kong takes advantage of China's growing economic role in the global scene. The \$5 million study notes that China is poised to emerge as an economic power in the 21st century and maintains that Hong Kong is well positioned to share in the historic transformation and to further enhance its leadership as a dynamic regional commercial centre.

Although continued prosperity is not a certainty in the light of the change of sovereignty, the report notes that Hong Kong can sustain its success within the framework of "one country, two systems". The federation believes that the return of sovereignty to China will improve Hong Kong's international competitiveness and economic prosperity rather than undermine Hong Kong's regional position and attractive way of life.

Compiled with the contributions of more than 70 leading businessmen, academics, politicians, government officials and specialists, the report suggests that Hong Kong should assume twin economic roles—a regional business centre and a powerful support for China's economic growth. Copies of the report, compiled with the support of Booz Allen and Hamilton, were given to Chinese leaders during the group's visit to Beijing last month.

To strengthen ties with China, the report suggests that Hong Kong should aim to develop productive and harmonious relations with China at all levels. A commercially unobstructed border with Shenzhen and Guangdong should be created and a thorough review of policies and practices related to border traffic should be carried out in consultation with Hong Kong businesses and institutions.

The report also proposes the creation of a separate unit responsible for cross-border affairs. The public could lodge complaints and make suggestions which would help lower barriers.

Hong Kong's institutional links with Beijing should be strengthened by having more presence on the Hong Kong Trade Development Council and other bodies in China. Activities of the Hong Kong Productivity Council and the Vocational Training Council and tertiary institutions in China on a commercial basis should be expanded.

The territory should also help promote trade in China by lobbying for China's entry to the General Agreement on Tariffs and Trade and in enhancing access to the China market with the renewal of China's Most Favoured Nation trading status by the United States. It also suggests that the role and status of the Hong Kong Export Credit Insurance Corporation should be expanded and the government should commission a study to address both the range of its services and its relationship with the government. On the civil service front, it is proposed that the government should commission a study into the feasibility of setting up a civil service training school.

Emigrant Laborers Return for Job Opportunities

HK2005015093 Hong Kong SOUTH CHINA
MORNING POST in English 20 May 93 p 3

[By Rachel Clarke]

[Text] Hong Kong emigrants are returning at an increasing rate and the number of returnees has practically doubled in two years, a survey revealed yesterday. The world recession is encouraging workers to come back to better jobs, but almost all have qualified for dual nationality and the ability to return to their adopted country at any time.

The proportion of returnees rose from 7.7 to 14.7 percent between 1990 and 1992, while the outflow of people remained stable, the Hong Kong Institute of Personnel Management (IPM) report found. Government statistics released in March showed 66,000 people left the territory last year, up 10 percent from 1991, while 60,000 are expected to leave this year.

Despite uncertainty about the outcome of Sino-British talks on the future of Hong Kong, returnees believe the territory is still politically stable and they can get better jobs here, according to IPM past president and member of the research committee, Mr Patrick Maule.

The majority of returnees would have stayed long enough to qualify for residency in their host country. "Certainly they have got their passports, which was the primary purpose of leaving. I think the reason they return is a combination of having got the passport and better job opportunities here.

"If they had really good jobs overseas, I think they would be staying."

Economic difficulties in Canada and Australia—the main destination countries of emigrants—meant workers had to take less senior positions than they had in Hong Kong or even switch industries. A return to Hong Kong often means a return to a senior position as well as much higher levels of pay and lower taxes.

"My people are coming back on a speculative basis," Mr Maule said. "My impression is that they return having gained a lot from the experience, although they may have had to struggle in Canada and Australia where the economies are so bad.

"It is still a small percentage of those people who are leaving, but it is an exciting growth. I think this trend will continue."

While timing plays a vital part in people's decision to return, with most staying long enough to qualify for residency, Mr Maule also believes that the joint campaign by the IPM, the Hong Kong Government and the Hong Kong Bank has played its part. The campaign, which included commercials on Cantonese television in Canada, urged people to consider returning to the territory and may have sown the first seeds of a decision.

But the IPM report, based on interviews with employees of 135 private companies in the territory, still found significant losses of staff. About 0.9 percent of the territory's workforce emigrated in 1991, down from 1.4 percent in 1990, but the proportion is expected to rise in 1992 to around 1.1 percent. The majority of leavers were aged between 30 and 39 and there were more men than women. Compared with 1990, the outflow of managerial, supervisory and professional staff remained high, accounting for more than half of the total.

IPM vice-president and research director Mrs Sara Tang Fung-yee called for a strengthening of organizational training and development at these levels to ensure leaving staff would be replaced. The survey found companies had taken a more sophisticated approach to combat emigration. Instead of offering high salaries or fast promotion, more were concentrating on training and development of existing staff or reorganizing departments.

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DATE FILMED

24 May 1993

